“Homo sapiens has become an urban species.”

Suketu Mehta
A billion people on the Earth still live in poverty while a small segment of the world’s population enjoys relative luxury and wealth. But in the middle, surprising things are happening. Contrary to the doom-and-gloom headlines, many of the world’s developing countries are seeing their fortunes rise – along with the prosperity of their cities. The opportunities and challenges of economic changes for social inclusion around the world were a central subject of discussion at the OCF conference sessions on Economic and Urban Development.

A diverse, counter-intuitive global picture was a key theme. “Everybody from the rich countries thinks the financial crisis was a terrible thing, but for much of the rest of the world, it didn’t matter so much,” says Stephan Klasen. The professor of Development Economics and Empirical Economic Research at the University of Göttingen and one of OCF’s scientific advisors points out that the Western perspective is too narrow. “We tend to think everything that happens to us is a global phenomenon, but it’s just not true.”

Klasen points to Africa as a prime example of a region standing in stark contrast to some of its lagging trading partners. In Africa, the world’s demand for natural resources has yielded ten years of growth. “Africa came through the economic crisis very well,” says Klasen. “It is still unclear whether this is sustainable, but things in Africa look better than they have for decades.” Workshop participants from developing countries also stressed that leveraging that precarious prosperity using well-thought-out development strategies that account for local culture will be critical to maintaining the trend.

A key feature of the societies of the future is the city. “Mankind has entered the urban age,” says Volker Kreibich, a former professor of Spatial Planning in Developing Countries at the University of Dortmund and the scientific advisor for the OCF Metropolis session. “For the first time in history the majority of the human population on planet earth is living in urban settlements.”

OCF participants argued that this phenomenon will increasingly define different domains of our common future as the world’s population continues to converge in urban areas: Demographers showed how metropoles are expanding as rural populations move from the country to the city looking for work, while other experts analyzed the megacities’ role as the mass dream of the global South. Led by scholars from the fields of sociology and urban studies, participants also took a hard look at the growth of slums, and what it might mean for the development of future cities and societies.

The various impacts of this “urban transition,” as Kreibich calls it, make smart urban planning on a sound scientific basis – from efficient and clean public transport to a realistic appraisal of how internal migration works – eminently important.
The reduction in global poverty since 1980.

42,000,000 people will live in one city when China’s “Turn The Pearl River Delta Into One” project unites nine large cities into one.

60% of the world’s population will live in cities by 2030.

$300,000,000,000,000 Amount of money 150 million migrants sent from the countries where they work to their (developing) home countries in 2006. This total is greater than all the foreign aid and direct investment from rich countries to the developing world that year combined.

2,000,000,000 Number of people living in slums by 2030.
Help for the World’s Poorest

“The case for concentrating international attention on the bottom billion has become stronger.”

Poverty is everywhere, but some people—the “bottom billion”, a phrase coined by Oxford economist Paul Collier—are in particularly desperate danger of being left behind for good by rising prosperity. Yet even when the world’s rich muster the will to help, aid efforts are often squandered because of ill-thought-out policy measures and political expediency. In his keynote lecture at the OCF session on Economic Development for Global Inclusion, Collier argued that international development aid must be wielded like a scalpel to target the neediest countries most effectively.

The period 2000 – 2008 was, in retrospect, a remarkable global boom during which developing countries converged rapidly on the countries of the Organisation for Economic Co-operation and Development, or OECD. Even the countries of the bottom billion took part in this growth, in contrast to the previous two decades during which they had stagnated.

Approximating this group of nations using the official category of “Least Developed Country,” per capita income rose on average by an unprecedented 4 percent per year, and this was reflected in some of the fundamental indicators of well-being: Infant mortality, for example, dropped by around 11 percent. Consistent with these improvements in outcomes, measures of governance also advanced: The average score on the widely used International Country Risk Guide (ICRG), a measure of risk to investors in 150 different world economies, improved by nearly 4.5 points.

However, despite this absolute progress, the bottom billion continued to diverge from the rest of mankind. In countries above the bottom billion line, per capita income rose faster, by over 5 percent per year, so that the income differential between them and the world’s poorest countries widened. In absolute terms, per capita income in the bottom billion rose by just under $100, whereas in other developing countries it rose by over $600. Similarly, in other developing countries infant mortality dropped even more rapidly, by an astonishing 18 percent. Similarly, in terms of governance, while the bottom billion advanced absolutely on the ICRG measure, they did not succeed in closing the gap with other developing countries.

Indeed, since the turn of the millennium the case for concentrating on international attention on the bottom billion has become stronger. China and India have demonstrated that their spectacular growth is robust. The Asian crisis which beset some other major emerging market economies such as Indonesia proved to be temporary. Brazil finally began to achieve the promise it had long failed to harness. Meanwhile, the international community demonstrated repeatedly and embarrassingly that effective international cooperation on any objective is extremely difficult. We should learn from this to economize on the tasks that we place before it. Of course, there remain many poor people in India, China, Indonesia, Brazil, and the other emerging market economies.

Were we to be guided by the composition of the annual global poverty headcount, international development efforts would be widely (and hopelessly) dispersed. Poverty needs to be seen in a dynamic context: The children of poor households in China have credible hope of a transformed life, whereas the children of similarly poor households in Chad do not. The case for international intervention also needs to be seen in the context of the scope for domestic strategies of poverty reduction. Middle-income societies have the option of reducing extreme absolute poverty through redistribution, and this choice is essentially a matter for each society itself to resolve. Low-income societies do not have this option: Equitable redistribution would simply leave everyone poor, and so it is in these societies that international assistance is warranted.

I would like to suggest an agenda for assisting the countries of the bottom billion, focused on new opportunities arising from recent changes in the world economy. The most important opportunity will be the surge in extraction of natural resources from their territories. The scale of the financial flows will be without historical precedent. However, this will pose huge challenges of economic governance. A second opportunity is the consequence of the rapid rise of the middle-income developing economies as industrial powers. As skills and wages rise rapidly in these countries, there may be “room at the bottom” for some of the poorest countries to break into global markets for labor-intensive manufactures such as garments. The crisis in the OECD has worsened prospects for conventional development assistance but opened prospects for more commercial forms of finance. Finally, I will discuss how the bottom billion might access new forms of international finance.

Natural Resource Exploitation

The countries of the bottom billion have long been heavily dependent upon natural resource exports. This is both a problem and an opportunity. It is a problem because natural resource extraction does not directly employ many people and so has only limited direct impact on the incomes and well-being of ordinary citizens. Indeed, resource extraction may foreclose opportunities for industrialization that would have stronger transmission mechanisms for poverty reduction. Further, revenues are volatile, making macroeconomic management difficult and increasing the need for social protection.

Natural resource exploitation is, however, increasingly becoming an opportunity. High commodity prices increase the rents on resource extraction more than proportionately. In addition to this direct effect, high prices induce discovery. Until recently, there has been much less prospecting in the bottom billion than in the richer countries. As of 2000, beneath the typical square kilometer of the bottom billion countries, only one-quarter of the subsoil assets had been found compared to the typical square kilometer of the OECD countries. This is not because less is there, but because there has been less investment in prospecting by resource extraction companies.
Over the next decade, the extraction of natural resources from Least Developed Countries (LDCs) is likely to expand both in value and in volume. It is a unique opportunity for LDCs, but the history of resource extraction is not encouraging: Harnessing the opportunity requires a capacity to resist pressures of both corruption and populism. Primarily, the problems and opportunities call for distinctive domestic policies by the governments of the bottom billion. However, some actions of the international community can also be helpful, like international financing of prospecting and other geological information, OECD initiatives against corporate corruption, and international standards for companies extracting mineral and other resources from LDCs.

The fight against corporate corruption can start in the OECD countries themselves. Governments are dependent upon individual officials and ministers to negotiate deals with resource extraction companies. Companies can gain immensely by bribing these individuals. This gives rise to an “agency problem” for the societies of the bottom billion. While widely recognized, to date it has been addressed by a variety of ad hoc international initiatives. One such is the Extractive Industries Transparency Initiative, started in 2003 and now with over thirty signatories among the governments of resource-rich countries, indicating concern for the problem. It aims to counter corruption in contracts by requiring companies engaged in resource extraction to report all their payments, country by country; thereby forcing illicit payments into the open. Another initiative has been the pan-OECD anti-bribery legislation which has made it a criminal offense for an OECD-based company to bribe government officials anywhere in the world in order to win a contract.

One consequence of this OECD legislation has been the rapid emergence of a two-stage system of negotiations for the rights to resource extraction. In the first stage, a company which is either too small to face scrutiny, or not OECD-based, negotiates with the respective government. In the second stage, this company sells on the rights to a major OECD company that has the technology and finance to undertake exploitation. A third and related international initiative has been to coordinate the laws relating to money laundering, and a fourth initiative has been the Kimberley Process, which has curtailed illegal international transactions in diamonds through certification of the source of origin. The government of Nigeria has recently proposed that an equivalent system of certification be put into place to curtail the large-scale theft of crude oil from the Nigerian Delta. The latest initiative is the Lugar-Cardin Amendment, now enacted into US law, whereby all companies listed on the New York stock market engaged in resource extraction must report all payments made associated with contracts in considerable detail. Potentially, such legislation could so discourage the major companies from entering into prospecting contracts with the governments of the bottom billion, and that the only companies left as partners for governments would be cowboy operations.

Neither the interests of the OECD countries, nor those of the emerging market economies, are the same as the interests of the LDCs; nor are the available models of OECD “best-practice” particularly appropriate for LDCs: They need norms and standards appropriate for their own circumstances. These are now provided by the Extractive Industries Transparency Initiative (EITI), and the Natural Resource Charter. The EITI is a multi-stakeholder international organization that focuses exclusively on the transparency of revenues. Currently around 30 governments are using it as a commitment technology. The Natural Resource Charter is an information guide on the decisions involved in harnessing natural resources for development. It sets out the entire decision chain involved in harnessing natural resources for development on a Web site (www.naturalresourcecharter.org) intended for governments, citizens and companies. Its 12 precepts propose standards for resource extraction companies, the governments of the countries which are home to such companies, and the governments of the countries in which resources are extracted.

The Challenge of Diversification

Trade preferences for LDCs continue to be part of the world trading system. Under the Generalised System of Preferences, LDCs have access to most OECD markets, and historical ties have been recognized in schemes such as the EU’s Lomé and Cotonou agreements. Recent years have seen several extensions of preference schemes. The EU’s Everything but Arms scheme, initiated in 2001, gave duty-free access to LDCs in (almost) all products. The United States introduced the African Growth and Opportunities Act in 2000, improving market access for eligible sub-Saharan African countries. The United States also operates the Caribbean Basin Initiative and the Andean Trade Promotion Act.

These schemes have two main elements. One is the trade preference – the granting of market access at reduced tariff rates and with less restrictive quotas, possibly going all the way to duty and quota-free market access. The other is the constraints on participation. These define eligible countries and products, and also impose rules of origin (ROOs). There has frequently been a tension between these elements, with the constraints severely reducing the effectiveness of preferences as an instrument of economic development. These constraints are likely to be particularly important for manufactured products, and redesign of preferences is needed if they are to facilitate developing country participation in a globalized world trading system.

The importance of manufacturing and other modern sector exports to the wider process of economic growth is now supported by a good deal of evidence. The Asian
experience is well documented, and a number of recent studies point to the role of exports in growth accelerations. Another showed that particular growth accelerations are associated with an average 13 percentage point increase in the share of trade in income (over a 5-year period) as well as an acceleration of the rate of transfer of labor into manufacturing. Another study points to the association between growth accelerations and trade growth in sub-Saharan Africa.

How can trade preferences be designed to maximize their effectiveness in stimulating a manufacturing supply response? Manufacturing supply response is not a simple matter of moving up a supply curve, but depends on a wide range of complementary inputs, some of which can be imported and some of which have to be developed domestically, often involving increasing returns to scale. Trade preferences can have a catalytic role, but will only perform this role if they are designed to allow import of complementary inputs, and to operate in countries with the skills and infrastructure to be near the threshold of global manufacturing competitiveness.

For the bottom billion, to diversify their exports into manufacturing may require a catalyst to create clusters of activity and lift them to threshold productivity levels. Forty years of African domestic protectionism have failed to induce such clusters. However, the evidence suggests that – given the right conditions – it is possible for African countries to accelerate their modern sector export growth in sectors like the apparel and textile industries. Designing policy to promote such growth requires recognition of a number of features of modern global trade: fragmentation, increasing returns, and the consequent “lumpiness” of development. Domestic policy and international policy are complements. Domestic policy needs to ensure a good business environment and infrastructure, but this can be spatially concentrated. International policy needs to redesign trading arrangements with rules of origin that do not penalize narrow specialization.

The experience of trade preferences has demonstrated that they are largely ineffective as devices for transferring income (“rents”) to poor countries. For this purpose alone, they are simply not worth prioritizing as an objective. However, the experience has also demonstrated that as devices for pumping the entry of a country into global manufacturing, in particular the manufacture of apparel, they can be useful.

The Challenge of Declining Aid

Until recently, the only financing for government permitted to the bottom billion was overseas development aid, or ODA. The prospects for aggregate ODA are not encouraging: Unprecedented fiscal pressures in OECD countries are reducing aid budgets. There is a need both to sharpen the focus of ODA onto the bottom billion, and to look to alternatives.

Given that the prospects for total aid are discouraging, a sensible strategy for the governments of the bottom billion is to focus attention on its allocation. While the ostensible rationale for aid is to address poverty, most aid goes to other developing countries. Indeed, large aid flows are going to middle-income countries that are already growing rapidly. If aid were focused on the bottom billion it would permit a major expansion in the aid flow to them without requiring any increase in OECD aid budgets. As the category of “emerging market economy” expands, it is important that these countries cease to be aid recipients so that aid can be concentrated on those countries that really need it.

There are a few ways to address this problem. International Monetary Fund programs explicitly require governments of the bottom billion not to borrow commercially. However, this condition is now being rethought. This will open up options for financing. One approach might be for the World Bank to create an International Bank of Reconstruction and Development (IBRD)—like a club of borrowers designed for low-income countries with reasonable economic governance. When the IBRD was created it was designed for countries that were not so different from where such low-income countries are today. Over the years, the IBRD club has, in effect, collectively moved up. In the process its members have become less risky and so are now able individually to borrow commercially: The IBRD club has become less necessary other than at times of financial crisis. A second approach, which might well be combined with the above, is for the rate of return on the bonds issued by the bottom billion to be linked to some aspect related to their ability to repay. A final link between returns and performance is to move the focus from the national level to the project level.

Investing Competently

The post-boom global economy looks to have some important differences with the half-century since the bottom billion gained independence. As other developing countries rapidly converge on a crisis-ridden OECD, the countries of the bottom billion are becoming increasingly distinctive. The OECD economies are in crisis and so aid is set to decline relative to the Gross Domestic Product of the bottom billion: New types of international finance will need to be developed. However, the most important source of finance is likely to be the money generated by resource extraction. Because other developing countries are growing rapidly, commodity prices are likely to remain high, and this will make the management of natural resources by the governments of the bottom billion critical. If governments can invest this money competently within their own economies, some of them stand a chance of diversifying into light industry. The international community can enhance this opportunity by granting privileged market access to the manufactured products of the bottom billion. [This is a condensed version of a speech given at the OCF conference’s session on Economic Development for Global Inclusion. More can be found at www.ourcommonfuture.de/coller]
Reducing Inequality

“There is something new happening in the global economy.”

Francois Bourguignon is the former chief economist at the World Bank and director of the Paris School of Economics.
It’s a difficult conundrum: Global inequality is going down overall, the gaps between the world’s richest and some of the poorest nations are continuing to grow. Francois Bourguignon, former chief economist at the World Bank, says that trade, investment, aid, technology, and policy must all play a part in turning this situation around. At the same time, Bourguignon told participants in the Our Common Future conference’s Economic Development session that countries must beware of the rising inequalities within their borders if development is to flourish in the future.

We are at a turning point in history. Inequality in the world, which has been increasing for more than four centuries, is now going down. This means that there is something new happening in the global economy.

Not only is global inequality going down, but it is going down at a time when global growth is extremely rapid. The change is not because growth in rich countries is suddenly slowing down, but because growth in the developing world is speeding up. The combination of less inequality and fast growth means that global poverty rates are falling very rapidly, too.

Strikingly, at the same time global inequality is going down, inequality within countries is on the rise. It seems that domestic inequality is partly replacing international inequality, which is a threat to the whole process of global development. If inequality goes up too fast and by too much in too many countries, and if this change is attributed in the public opinion to globalization, as it is often the case today, then this might act as a brake on the globalization process and the gains from globalization.

Global inequality has been increasing basically since the early 19th century until the 1980s. Then it flattened out. And there even was a slight improvement in the disparity between the top 20 percent of the world’s population and the bottom 20 percent. But when you look at the period since 1997, the global inequality trend dips downward very steeply. There is clearly a big change taking place.

What is behind this changing inequality? There has been a lot of discussion about whether we live in a world where what is going on in the North is decoupled from what is going on in the South. This is not true of economic cycles and the recent crisis is good proof of it. One thing is remarkably clear, however: The North–South divergence in growth trends, which started in the early 1990s and in which developing and emerging countries begin to develop much more rapidly than high-income countries.

The drop in global inequality is due to this divergence in growth rate. Even during the big recession, in the depths of 2009, the difference in terms of growth rates between the South and the North was more or less the same as when the global economy was peaking. Gradually, the developing world is catching up. In the evolution of the global economy, this is something new.

This has had dramatic consequences for the world’s poverty rate. Between 1980 and 2005, global poverty was halved. If we were to extend the trend to 2015, then the Millennium Development Goal on global poverty will most likely be reached thanks to a combination of fast growth and declining inequality in the world.

What’s next? It is always difficult to do long-range forecasts, but the first important point is that growth in developed countries will stay slow as a result of public indebtedness. Many important countries in the world are in the middle of a fiscal contraction because of their high public debt. Unemployment is also high and may take some time to come back to normal.

Long-Run Trends
But there are also long-run forces for slow growth: New regulation of the financial sector, which is just getting started, for example. Even more importantly, there is a long-term adjustment process away from manufacturing in the developed world that is causing serious problems for the countries of the global North. In the United States, five percent of the labor force has lost manufacturing jobs just in the last decade. Just transferring five percent of the labor force from one sector to another sector produces a lot of frictions. In Germany, the problem is much less acute, but in the rest of Europe the problem is quite serious. Because of that, for the next 10 years the growth rate of those countries will be low.

By contrast, in big emerging countries, growth is likely to continue, yet at a slightly slower pace. Those countries will rely on growing domestic markets, which are developing very quickly. At some stage, China will have to reorient its development strategy more toward the domestic market, simply because the growth rate in the North will not be that great. Growth then will have to focus on its domestic market or on exports to other developing countries rather than exports to developed countries.

But there is no denying that emerging countries will be affected by slow economic growth in the North. Despite the fact that developing countries are growing very quickly, developed countries still represent between 55 and 72 percent of global GDP, depending on whether purchasing power parities are taken into account or not. One-half or even three-quarters of the global economy slowing down will have a substantial impact on the rest of the world.

Global equalizing is thus likely to continue because of this combination of regulation, long-term adjustment in labor markets in rich countries, and dynamic growth in emerging economies. What we have observed over the last 20 years is not just a cyclical event. It is a very strong central force in the global economy.

There are several caveats, of course. Poor countries, in particular sub-Saharan African
It is not impossible to combine exports of natural resources and manufacturing production. A country like Indonesia, which has huge resources of oil, was able to grow a very dynamic manufacturing sector. The problem of sub-Saharan African countries is that their markets are not big enough whereas Indonesia has a domestic market of 250 million people. To keep growth going in Africa, larger markets must be created. Part of that creation must include regional integration through true free trade areas and trade policies that would open up markets in the global North to African products.

The Hidden Threat
At the same time, as we observe this fall in global inequality, we observe a very noticeable increase in inequality within a large number of countries over the last 20 years. When we look at OECD countries, inequality has significantly increased in more than half of them. You have an increase in Italy, in Germany, or in Japan. You have a big increase in the UK and still a bigger one in the United States. Some of these changes may be due to reforms of tax-benefit systems. Others are due to an increase in the inequality of market incomes.

Really dramatic figures are observed in the United States. According to a congressional report, the total increase in the income of the bottom 20 percent has been 6 percent over the 25 years between 1979 and 2005. The richest 20 percent have seen their real income grow by 70 percent. And if you look at the top 1 percent, then the increase in their real income has been 176 percent.

Many people would think that such a dramatic increase in economic disparities would not be really possible in European countries, but who knows? When we look at the very top of the distribution pyramid, executives and traders are increasingly paid in Germany, France and the UK what they are paid in the United States. Upward-spiraling executive pay is creating huge inequalities at the top, while people at the bottom struggle with unemployment and stagnant wages.

So what is the risk here? Because inequality is increasing, there may be some resistance to globalization which is often seen as the cause of increasing disparities. This would then reduce the benefit that the global community can get out of globalization through some kind of return toward protectionism.

Surprisingly, the same trends hold true when we look at developing countries. Sixty percent of developing countries (where the data are available, at least) show an increase in inequality. Probably the most obvious case is China, where inequality has increased very substantially. In India, too, there are signs that inequality is increasing. Yet, a counter-example would be Brazil where inequality went down, even though still at a very high level.

When we look at global inequality, these within-country changes are not enough to reverse the equalizing trend between the global North and South. But what is happening at the country level may be more important from a political point of view. An increase in inequality at the national level might become a real obstacle for further progress in global development if it is associated in the public opinion to the globalization process, which is actually the case and is certainly not totally wrong. Because of that, we cannot ignore domestic inequalities.

One way of trying to avoid this negative evolution towards more inequality is enhanced social protection at the country level. Even in some developed countries, particularly the United States, there is not enough of this sort of social safety net. Because of that, the adjustment within countries due to increasingly globalized economies may be more painful, and politically more difficult. Extra social protection in both some developed countries and in developing countries, improving international redistribution instruments and global development assistance could go a long way towards smoothing the transition.
The development of cash transfers or micro-credit in developing countries, which seemed almost impossible 15 years ago is a good example of the kind of progress that can be made along this line.

We should also add what is called “development policy coherence.” It does not make very much sense to have generous official development assistance policies on the one hand when there are trade policies which undo their results on the other hand. Following Nordic countries, European countries and the European Union could analyze more systematically the consequences of their trade policies on developing countries or develop new trade facilities for those countries that find it hard to access European markets. An initiative like “Everything but Arms” which is giving trade preferences to Least Developed Countries (most of them in sub-Saharan Africa), is a good start. However, it is too modest and too restrictive through the rules of origin it imposes on exporters. The US initiative AGOA (African Growth and Opportunity Pact) was, from that point of view, more effective but is very limited in size.

In sum, we should not simply stop and relax because the whole world is equalizing. There are formidable obstacles ahead if we are to ensure continuing global development that benefits all countries and all people within countries.

“An increase in inequality at the national level might become a real obstacle for further progress in global development.”

“In some developed countries...there is not enough of this sort of social safety net.”

This is a condensed version of a speech given at the OCF conference’s session on Economic Development for Global Inclusion.
Mass Dreams of the Modern Metropolis

“The Third World slum ... is the iconic geography of this urban and human condition.”

Ananya Roy is professor in the Department of City and Regional Planning at the University of California, Berkeley, where she teaches urban studies and international development.
Regarded from the North, many cities of the global South are understood through their vast, informal urban spaces—their slums, in short. Hit movies feature the slums of Mumbai, reality tours take in the favelas of Rio de Janeiro and the townships of South Africa, and Nigeria’s mushrooming “make-do” megacity of Lagos has become a symbol for the future of Africa. Speaking at the OCF’s session on Metropolis, urban planning expert Ananya Roy explained how the term slum is an oversimplification—and made some guesses as to how the world’s cities might look in the future.

The 21st century will be an urban century, one where the human condition will also be an urban condition. The 21st century will also be a Southern century and perhaps even an Asian century. Much of the urban growth and urbanization of this century will take place in the cities of the global South, including those of the newly emergent economic powerhouses, India and China. I am interested in understanding how the making of urban futures, the making of collective futures, the making of common futures is at stake in the 21st century metropolis. To understand this it is necessary to conceptualize the 21st century metropolis as a mass dream. I borrow this term from Suketu Mehta, who has argued that “just as cinema is a mass dream of the audience, Mumbai is a mass dream of the people of South Asia.” What does it mean to study the future itself as a mass dream? To answer such questions we have to, of course, pay attention to how the cities of the global South are narrated in academic and popular discourse.

In the urban imagination of the new millennium, the “megacity” has become the shorthand for the human condition of the global South. Cities of enormous size, they are delineated through what Jennifer Robinson has called “developmentalism.” Their herculean problems of underdevelopment—poverty, environmental toxicity, disease—are the grounds of numerous diagnostic and reformist interventions.

And it is the slum, the Third World slum, that is the iconic geography of this urban and human condition. It is the “recognizable frame” through which the cities of the global South are understood and their difference mapped and located. If we are to pay attention to what postcolonial critic Gayatri Chakravorty Spivak has identified as the “worlding of what is now called the Third World,” then it is necessary to confront how the megacity is “worlded” through the icon of the slum. In other words, the slum has become the most common itinerary through which cities of the global South are recognized.

I do not use the term itinerary casually. Today, the Third World slum is a touristic itinerary, with reality tours available in the favelas of Rio, in the townships of South Africa, in the kampungs of Indonesia, and featured in travel guides ranging from Frommer’s to Lonely Planet.

Such itineraries of recognition are interesting because they disrupt apocalyptic stereotypes of the megacity. Against academic and popular renditions of the megacity as a planet of slums, marked by the warehousing of surplus humanity, slum tours present the Third World slum as places of enterprise and economic activity. Here for example is how Pukar, an experimental research group based in Mumbai, presents Dharavi, Mumbai’s famed slum:

Dharavi is probably the most active and lively part of an incredibly industrious city. People have learned to respond in creative ways to the indifference of the state… Dharavi is all about such resourcefulness. Over 60 years ago, it started off as a small village in the marshlands and grew, with no government support, to become a million-dollar economic miracle providing food to Mumbai and exporting crafts and manufactured goods to places as far away as Sweden. No master plan, urban design, zoning ordinance, construction law or expert knowledge can claim any stake in the prosperity of Dharavi… Dharavi is an economic success story that the world must pay attention to during these times of global depression.

This too, of course, was the theme of the controversial film, Slumdog Millionaire. While protested in India as an instance of “poverty pornography,” the film can be read as an allegory for the 21st century metropolis and its dhandha, a Hindi word that means transactions, hustles, business. In Slumdog Millionaire, everyone is out to make a deal: the traders in misery who main children so that they can beg on the sidewalks of Mumbai; the traders in space who replace the slums of Dharavi with sky-high condominiums; the traders in dreams who create the television programs and films that create a world of fantasy for those who need it, rich and poor.

It is thus that the Third World slum becomes central to the making of urban futures. Suddenly, the horizon of urbanism is no longer in New York, or London, or Los Angeles, but rather in the global South.

It is thus that star architect Rem Koolhaas interprets the urbanism of Lagos as a “culture of make-do.” In his encounter with Lagos, part of Harvard’s Project on the City, Koolhaas is taken with the inventiveness of its residents as they survive the travails of the megacity. He sees such experimental responses as generating “ingenious, critical zones.”

It is thus that Iranian-born sociologist Asef Bayat argues that “informal life,” characterized by “flexibility, pragmatism, negotiation, as well as constant struggle for survival and self-development” is the “habitus of the dispossessed.”

And it is thus that Peruvian economist Hernando de Soto presents the Third World slum as a “people’s economy” populated by “heroic entrepreneurs.” For de Soto such economies are rich in assets, albeit in the defective form of dead capital. The “mystery of capital” is how such assets can be transformed into liquid capital, thereby unleashing new frontiers of capital accumulation.

There is a striking resemblance between such arguments of economic libertarianism and the utopian schemes of the left. For
example, in a sketch of “post-capitalism,” geographers Katharine Gibson and Julie Graham celebrate the “exciting proliferation of [...] projects of economic autonomy and experimentation.” They showcase these as the performing of “new economic worlds,” an “ontology of economic difference.”

I am highly sympathetic to these renditions of Third World urbanism – those that place the megacity and its slums at the heart of the making of urban futures. I see this approach as an important correction to the silences of urban historiography and theory, the “sanctioned ignorance” – that has repeatedly ignored the urbanism that is the life and livelihood of much of the world’s humanity. I see it as an instance of what Vanessa Watson, of the African Center for Cities at the University of Cape Town, has called “seeing from the South.”

However, in my work, I also argue that it is time to think beyond the geography of the slum. To world the cities of the global South through the slum means that we remain bound to the study of spaces of poverty, to essential forms of popular agency, to the habitus of the dispossessed, to the entrepreneurialism of self-organizing economies. These are ontological and topological understandings of urbanism, those that associate the slum with poverty, and that associate poverty with self-organizing economies.

I am interested then in how we can understand the inevitable heterogeneity of Southern urbanism, that which cannot be contained within the familiar metonymic categories of megacity or slum. How can we produce a different worldly of the cities of the global South and thus more broadly of the 21st century metropolis?

With this in mind, I want to briefly discuss four emergent concepts that I believe make possible new understandings of the 21st century metropolis. The concepts are periphery, urban informality, zones of exception, and gray spaces. My claim is not that these concepts are new and therefore worthy of attention. Rather I am interested in how scholars, working in a variety of urban contexts, are using such concepts to chart new itineraries of research and analysis.

Peripheries
In a recent treatise on city life, the London-based sociologist AbdouMaliq Simone makes the case for the importance of the periphery in urban life. By periphery, he means a “space in-between” that has “never really been brought fully under the auspices of the logic and development trajectories that characterize a center.”

I am interested in the periphery as a space of both rule and insurgence. Such is the case with a periphery that often garners international attention, the southern suburbs of Beirut, al-Dahiya, or the Shiite ghetto. Here, the de facto state is Hezbollah, the party of God, a religious militia that has matured into one of Lebanon’s most important political parties. Al-Dahiya is the space of what Hezbollah calls the resistance society, where poor, downtrodden, and displaced Shiites can create an autonomous urbanism. With this in mind, Hezbollah has built up an infrastructure of urbanism and development that defies the logic of the center and intervention by the Lebanese state. From schools to health clinics to microfinance institutions to Jihad al-Binaa (or “Jihad for construction”), Hezbollah’s al-Dahiya demonstrates how the periphery is a “potentially generative space – a source of innovation and adaptation … potentially destabilizing of the center.”

Yet the periphery is also a space of rule, one where Hezbollah seeks to implement norms of civic governmentality and a vision of the good city. As the work of urban planning experts Hiba bou Akar and Mona Harb shows, Hezbollah today is both insurgent militia and real estate developer. In its latter guise, Hezbollah supports and implements projects of urban development that can transform al-Dahiya, the Shiite ghetto, into a city center worthy of a global city. In the resistance society, no resistance is possible to the making of urban futures. The periphery then embodies the contradictory impulses of rule and insurgence that are constitutive of the 21st century metropolis.

Urban Informality
In his much discussed 2006 text “Planet of Slums,” urban theorist Mike Davis states that “informal survivalism” is “the new primary mode of livelihood in a majority of Third World cities.” In my research, I argue that the informal is not a distinct and bounded sector of labor, housing, and governance, but rather is an idiom of urbanization, a logic through which differential spatial value is produced and managed. Urban informality is not restricted to the bounded space of the slum; instead, it connects the seemingly separated geographies of slum and suburb, favela and enclave. In short, informal urbanization is as much the purview of wealthy urbanites as it is that of slum dwellers. The analytical and political question at hand is how and why in the 21st century metropolis, elite informalities are valorized and subaltern informalities are criminalized.

Take for example the case of Indian cities. In the case of Delhi, London-based urban geographer Asher Ghertner notes that a vast proportion of the land use of the city, from so-called farmhouses to shopping malls, violates some planning or building law, such that much of the construction in the city can be viewed as “unauthorized.” But while the law has come to designate slums as “nuisance” and the residents of slums as a “secondary category of citizens,” the illegal and informal developments of the urban middle classes and the urban elite have come to be sanctioned by the state as the making of urban futures.
I am arguing then that it is often through informality and illegality that, in India, the world-class city is produced. This is the story of evictions and displacement, the sheer dispossession of peasants, slum dwellers, squatters, sharecroppers that is at work in the carving out of new towns, special economic zones, and urban-industrial enclaves. But it is also the bold aspirations of what is increasingly designated, at least in India and China, as the Asian century, the sense that the future belongs to Asian economic powerhouses. In this self-referential imagination, world-class Asian cities compete with one another. Mumbai is imagined as the next Shanghai, inevitably slum-free. Singapore circulates as a frame of success.

Dubai, in particular, serves as the dream image of an Asian hyper-urbanism. Billboards lining the streets of Delhi, and photographed by Berkeley urban sociologist Gautam Bhan, mark the partnership between Indian and Dubai property capital and read: “Burj Dubai, the World’s tallest tower. The only thing taller is our dream for India.” I want to emphasize that such formations of urban meaning must be understood as mass dreams, those claimed by middle-class consumer citizens who are seeking “leisure, safety, aesthetics, and health.” But such mass dreams are also subject to contestation and informality is an important axis of such contestation.

Take, for example, Quarter no. 4/11 in Kolkata. Occupied by one single person, Shambhu Prasad Singh, this factory quarter was the last hold out in a tract of factory homes. In this self-referential imagination, the future belongs to Asian economic powerhouses. But it is also the bold aspirations of what is increasingly designated, at least in India and China, as the Asian century, the sense that the future belongs to Asian economic powerhouses. In this self-referential imagination, world-class Asian cities compete with one another. Mumbai is imagined as the next Shanghai, inevitably slum-free. Singapore circulates as a frame of success.

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The deaths have been seen as a symbol of the dark side of Shenzhen Speed: Migrant workers working 11-hour overnight shifts, seven nights a week, forging plastic and metal into electronics parts amid fumes and dust, living eight to a room in cramped dormitories. The suicides have been seen as the symbol of a new generation of workers unwilling to make unending sacrifice for the Chinese economic miracle, a part of a rapidly changing context of labor strikes and mobilizations. After all Shenzhen too is a mass dream, the place where China’s peasants come to make an urban future. But it turns out that such a future must be negotiated through what African philosopher and political scientist Achille Mbembe has called necropolitics, the politics of life and death.

Gray Spaces
In his provocative and haunting work on the Bedouins of the Israeli Negev, political geographer Oren Yiftachel describes “gray spaces” as “those positioned between the ‘whiteness’ of legality/approval/safety, and the ‘blackness’ of eviction/destruction/death.” He notes that these spaces are tolerated and managed but “while being engaged within discourses of ‘contamination,’ ‘criminality,’ and ‘public danger’ to the desired ‘order of things.’”

To illuminate this final concept of gray spaces, let me take a closer look at social landscapes in America, and especially at the gray space that is the global border. In America, the spring of 2010 saw the gathering storm of the “Tea Party” movement, a conservative fury against Big Government and its purported failures. As spring rolled over into summer, so in the border state of Arizona, a new law was passed. Titled “Support Our Law Enforcement and Safe Neighborhoods Act,” it is a bold assertion of state intrusion, of the police state. Aimed at wiping out undocumented immigration, the law initially required police to determine the immigration status of those detained, stopped, or arrested.

Arizona’s law is an example of a firmly territorialized and racialized framework of citizenship, one that erodes understandings of urban citizenship based on cosmopolitanism and difference. In this sense it marks the end of the idea of the city. The Arizona law is also an example of the border, the global border. It is a remaking of the US-Mexico border, the world’s most policed border, in the heart of cities and towns. It is the making of all neighborhoods as border neighborhoods. It is the creation of a series of gray spaces that remain suspended between legality and illegality, between safety and destruction.

Gray spaces proliferate in the 21st century city. But gray space is also the terrain of politics. I am interested in the technologies of crossing that can disrupt the social legislation of fear and thus the securitization of space. At the global border, artists in particular have experimented with technologies of crossing. These experiments are perhaps visible symbols of the everyday (and extraordinary) practices of border crossing, through which this space is lived and negotiated. Such ruptures are evident in the work of the transnational art project, inSITE. Taking place at various venues along the San Diego-Tijuana border, inSITE performs transient pieces of art in places where art is not typically exhibited. Each performance punctures the global border and weaves a new transnational fabric of meaning and habitation. Each performance transforms gray space into political space.

For example, in 1997, Marcos Ramirez Erre, a Tijuana artist, rolled an enormous Janus-headed Trojan Horse into the middle of traffic waiting to cross the border at San Ysidro, perhaps the busiest international border crossing in the world. The horse appeared seemingly out of nowhere, straddled the border with two legs resting on the US side and the two other legs on the Mexican side. One head looked north, the other looked south. And after a while it vanished. Californian architect Teddy Cruz writes of the performance: “The Trojan Horse was the fragile ‘anti-monument’ […] It reminds us that the contemporary city is still able to elude the absolute ordering devices that attempt to render it homogeneous and one-dimensional […] that the most derelict and unexpected places have the potential to become sites for light occupations that challenge the massive colonization of traditional urbanism.”

For me, the 21st century metropolis is a space that requires both critique and hope. The 21st century metropolis is a space that far exceeds the boundaries of the slum. Better understood as peripheries, zones of exception, gray spaces, and urban informality, the 21st century is made up of fractal geometries of metropolitan habitation. The 21st century is time at the speed of light and it is also dialectics at a standstill. But most importantly, the 21st century is a terrain of politics. The fractal geometries of the contemporary city also constitute the grounds for negotiated subjectivities, contested spaces, and claims to the urban future. In this sense the 21st century metropolis may just be, to borrow Erre’s allegory, a Trojan Horse.

This is a condensed version of a speech given at the OCF conference’s session on Metropolis. More can be found at www.ourcommonfuture.de/roy
Our Common Future

In your book *Maximum City* you write that Mumbai (formerly known as Bombay) is the future of urban civilization. But to many Westerners, parts of Mumbai seem medieval. There are people working, sleeping and defecating on the streets. Is that the future of cities? Squalor in ever increasing amounts?

Mehta: The world is going to be dominated by these megacities of the South, more than the established cities of the richer world.

And in many of these cities there is a tremendous amount of squalor, of people living on the streets. But there are also windows of opportunity and islands of tremendous wealth. If you look closely, you will realize that the First and the Third World are no longer separated around the globe. They coexist in places like Mumbai and also, surprisingly, in places like New York: I have been to tenements in Chinatown, just 15 minutes from where I live, where 15 migrant workers

“Mumbai is probably a better predictor of the future than New York.”
Human beings, as a species, like to live in colonies. We are not solitary animals who live in caves. We are more like ants. In America, after the Second World War, it seemed like suburbs were the answer. You’d come into the city when you were single, you’d find a mate, then you’d go and settle with your kids in the suburbs. But today, people are staying in American cities and making a go of it. There are lots of attractions: Opera, sports stadiums, being able to walk around, being able to eat many different kinds of food, being close to your job. In richer countries suburbs are fading in significance the way farms are fading in the poor countries. But there are second-tier cities that are actually shrinking. Do you think cities like Detroit or Duisburg could benefit from large-scale immigration?

Mehta: There needs to be a critical mass of people that sustains a city. It seems that big cities get even bigger. If there are 20 million people in Mumbai, then the villager in distant Bihar thinks, ‘These 20 million people must know something, so I’m going to go join them’. In the United States the cities that are stagnating resemble Detroit and Baltimore – places that don’t have a lot of diversity in terms of ethnicity or that have tied themselves to a single industry. But cities like New York, which actively encourage immigration, are doing better than ever before. Ethnicity belongs to these intangibles that are difficult to measure in economic terms. But many of the software engineers and designers, and the creative class that make cities attractive want a choice of different kinds of food, of different kinds of music. They are widely traveled and don’t want to eat sausages every evening. They also like to eat peanut stew and bhel puri. So ethnic diversity can revitalize these old industrial cities across the richer countries.

Mehta: Can I only speak about why New York does so well: Because no one ethnicity dominates. That’s very important. I grew up in New York’s Jackson Heights, which is the most ethnically diverse place in the United States. There are South Americans, South Asians, East Asians, Southeast Asians, Uzbeks – you name it. So no one community gets blamed for a lot of trouble. In New York, Mexicans are the fastest growing group of people, but they too find a place in the “caste system” of New York. The immigrants who come here don’t automatically find jobs and opportun-
Recently named the world’s most dynamic city by the Brookings Institution in Washington, Istanbul is a city on the rise. In 2010, it shared the designation of European Cultural Capital with Essen, another city with surprising dynamism. Separated by a wide cultural and geographic gap, the two metropolises still have much in common. As part of the Global Young Faculty, a group of young researchers from the Ruhr area examined the problems of integration and urban renewal that bring these cities together.

Can one really compare Essen and Istanbul? At first glance, the differences between the two cities seem vast and difficult to bridge. After all, Essen is in Germany, a country that has long been recognized as fundamentally European, while Istanbul is the economic capital of Turkey – a land that literally straddles the line between East and West, Europe and Asia.

But perhaps there are more similarities than we think, says Monika Salzbrunn, a professor at the Université de Lausanne in Switzerland, who has written several publications exploring transnational and migration issues. She and the other members of the economics group of the Global Young Faculty have spent much of 2010 looking at a range of topics, including how religious and cultural diversity is highlighted and dealt with in both Istanbul and Essen.

To begin with, both cities have celebrated 2010 as proud European Cultural Capitals, helping build naturally strong cultural linkages. Secondly, they are cities undergoing a sustained period of urban regeneration. Lastly, the two cities have a long history of ethnic and cultural interconnectedness due to immigration from Istanbul to Germany’s Ruhrgebiet. That is, perhaps, most obvious in the Ruhr area’s ethnic makeup, which is today among Germany’s most diverse. About 12 percent of the city’s population of 600,000 call themselves immigrants.

One thing the group discovered is that, despite these facts, politicians in the Ruhrgebiet aren’t promoting the region’s ethnic diversity as much as they should. “It’s surprising that it is not being put forward enough, in our opinion. What you’ve heard this year is about the cultural richness of the region and the industrial creativity. But the ethnic diversity in all its complexity is hardly being discussed,” Salzbrunn says.

Another interesting discovery is that progress toward urban regeneration in Istanbul has recently provided a way for authorities and developers to put pressure on elements they perceive as being undesirable, in a way that hasn’t happened in Essen.

In Istanbul, members of the city’s Kurdish minority and members of the less privileged classes have come under intense pressure in the face of gentrification and urban regeneration. Sometimes they have been forced to move to entirely new neighborhoods to allow development projects to take place.

“The main issues in Istanbul are class issues and the ways in which the Kurdish minority group is being marginalized,” says Salzbrunn. “The very idea of urban regeneration provides a way for authorities to sweep away minority communities.”

And while both cities portray themselves as modern metropolises, sometimes people with little social or economic capital fall through the cracks, failing to be heard among the voices of the powerful. “Cities need to put forward their diversity or internationality as an asset, because it is one,” says Salzbrunn, whose research has touched on topics ranging from gender relations to transnational social spaces. “All kinds of people in Essen and Istanbul have proven their capacity for success. We all need to recognize that.”
Urban Planning

China’s Problems, Chinese Solutions

With 1.3 billion people, China is the most populous country in the world. It is also home to some of the globe’s fastest growing cities. Architect and urban planning expert Deljana Iossifova says that what may look to outsiders like unbridled chaos in China’s urban spaces is actually a productive mix of class and enterprise. Talking to fellow participants in the OCF workshop on participative urban development, Iossifova warned that Chinese-style urban planning models might not be a good fit for other places.

China is undergoing one of the most dramatic demographic revolutions the world has ever seen. In the last thirty years, more than a quarter of the Asian giant’s population has moved from farms and small villages in the countryside to booming cities like Shenzhen, Beijing, Shanghai, and Wuhan. And the trend shows no sign of slowing. Over the next 20 years, 15 to 20 million people each year will flood into Chinese cities.

All those new city dwellers will need places to live and work, making China the world’s biggest de facto urban planning laboratory. Experts estimate that more than 1,500 skyscrapers will be built in China annually for decades to come; dozens of Chinese cities will need mass transport systems. China is faced with a tremendous challenge: It must build the equivalent of one Chicago-sized city each year for the next two decades.

This heady mix of challenge and opportunity was one reason Bulgarian-born architect Deljana Iossifova, a research fellow at the School of Architecture and the Built Environment at the United Kingdom’s University of Westminster, worried about what she would find when she journeyed to Shanghai, China, about four years ago to research how city dwellers were grappling with rapid change in their urban environment.

“I started off thinking there is this very scary fragmentation and segregation between different classes of people in Shanghai,” Iossifova says. “But I found the reality is different.” She found one constant in the Chinese urban environment: Forced class coexistence, created largely because of internal migration from the countryside to the cities. By observing how Shanghai neighborhoods changed over the course of many years, Iossifova discovered that the rich, the middle class and the poor live side by side in the new, rapidly urbanizing China.

The close quarters mean people of different income levels must work together to find solutions to existing problems and somehow be of service to each other. Rural-to-urban migrants, for instance, have found unique niches in cities repairing bicycles or selling food to both the rich and poor.

Iossifova argues out that the dynamic and constantly shifting nature of large Chinese cities like Shanghai make them perfect fodder for experimentation in how to solve the problems our world will face in the future.

Yet the Chinese model isn’t right for everyone. One of the things that has made it so interesting for urban planners is the political system, which allows officials to make sweeping changes without interference by various groups of stakeholders. When it comes to making rapid decisions, central planning accelerates the process.

As problematic as that is for advocates of participatory democracy, from a purely urban planning point of view it might be seen as an opportunity. “There are major possibilities tied to the specific political structure of the country which makes it possible to change the ways in which the built environment is produced and appropriated,” Iossifova says.

Yet the autocratic urban planning system at work in China can be a double-edged sword. Some of these experiments are already threatening the things that make Chinese cities so unique. As a new middle class has sprung up in cities around China, many poor inner-city residents are being displaced to make way for urban redevelopment projects directed by the Chinese state, erasing the vibrant mixed neighborhoods Iossifova found when she first came to Shanghai.

It’s clear to OCF-fellow Iossifova that the Chinese model won’t work for everyone, and probably shouldn’t. “A city that functions within one particular cultural, ecological or geographical context may be a complete catastrophe when you try to reproduce it someplace else,” she says. “I think we should get away from the idea that there can be perfect solutions. You have to look at every city by itself and try to find solutions for every case.”

Deljana Iossifova, born in 1977, is a research fellow at the University of Westminster and teaches architecture and urban design at the University of Nottingham.
In countries with little or no communications infrastructure, radio isn’t just a form of entertainment. It’s also a way to distribute information on new farming techniques far and wide. Nnaemeka Ikegwuonu, founder of Smallholders Farmers Rural Radio in Nigeria, contributed to a workshop at the Our Common Future conference’s session on Economic Development about radio’s critical role in lifting farmers out of poverty.

Growing up in a rural part of Nigeria’s Imo state, Nnaemeka Ikegwuonu spent much of his childhood tending to cattle and other farming tasks.

So the 29-year-old Ikegwuonu, who holds bachelor degrees in history and international relations and a master’s degree in cooperation and development, knows the challenges faced by rural Nigerian agricultural workers firsthand.

“It’s a difficult life. Many people have knowledge that could help others by, for instance, improving efficiency. But it’s hard to spread the information around,” he says.

The solution? In 2003, at the age of 21, Ikegwuonu created a unique organization called the Smallholders Foundation from scratch. Its goal is to help build the capacity of the area’s burgeoning agricultural sector by offering information to improve productivity and efficiency and by creating a forum where workers can share their knowledge with others.

Since, then, he has been running the organization, making a living off the proceeds and promoting its goals and achievements.

The need for the Smallholders Foundation is particularly urgent because rural workers in Nigeria have little access to knowledge transmitted through technology the rest of the world takes for granted, like the Internet or television. This makes it almost impossible for farmers to learn cutting-edge techniques that could improve crop quality or yield.

But the core of the Smallholders Foundation is its radio programming. Almost everyone in Nigeria has a radio, meaning broadcasting over the airwaves is the most effective way to reach rural workers – many of whom have had limited formal education.

The radio programs, mostly designed and produced by farmers themselves, cover basic business skills and offer advice on common issues in the agricultural sector, such as how to deal with erosion as well as the safest and most effective pesticides and fertilizers. Perhaps the most interesting aspect of the project, however, is its emphasis on interactivity. The Smallholders Foundation distributes solar-powered devices to listener groups, allowing them to provide voice feedback that gets sent directly to radio broadcasters. Their listeners’ advice and ideas are then broadcast during radio programming for other farmers to learn from.

Ikegwuonu sees his work as a simple model others in the global South can follow to promote productivity, while ensuring that local people have a strong participatory voice. The Smallholders Foundation model may be particularly effective in countries like Nigeria and Uganda, where many people are illiterate but have radios at their disposal.

Preliminary data shows that the foundation’s work has made a real impact. In some cases, farmers have seen a 50 percent increase in output after listening and participating.

And as he has overseen successes – he has been given a prestigious Rolex Award for Enterprise, among other honors – Ikegwuonu is excited about ambitious plans to expand beyond the state’s borders to cover all of Nigeria and eventually other countries, such as Ghana. Right now the radio programs have about 250,000 listeners. Ikegwuonu envisions millions listening, participating and improving their lives.

“We have many people who are entrapped in poverty, and the only way to get out of it is education,” Ikegwuonu says. “This fills the gap.” The organization, focused in southeast Nigeria’s Imo state, where nearly 3 million people work in the agricultural sector, offers a range of services, from live demonstrations of the latest technologies in crop cultivation to establishing school gardens at primary and secondary schools.

“I am ready to replicate this all over,” he says. “I want people to know that there are individuals making a difference throughout Africa.”
Talking about Migration

“You cannot fulfill or empower all of your people in a country of 1.3 billion.”

Rumin Luo

“The traditional ways of doing politics have to change.”

Ludger Pries
Migration isn’t what it used to be. The familiar scenes of workers flooding from poorer countries to work in richer ones are increasingly a thing of the past, as the flows and currents of migration become steadily more complex. At the OCF conference, renowned German sociologist Ludger Pries and the young Chinese migrant—and immigration scholar—Rumin Luo came together for an inter-generational dialogue on what the future has in store for migrants and their destinations.

How important are national borders for migrants today?

**Pries:** I lived in Mexico for six years, and did a lot of empirical research on Mexican migration to the United States. That was a relatively simple case. But now we cannot easily distinguish between internal and international migration, as we could in the past. Both are completely intertwined. We see this in the case of China: There is a huge volume of Chinese people who are internal migrants, more than 200 million people each year. But we also have a lot of influx into China right now, from surrounding countries like Vietnam, Cambodia and Laos, which is a relatively new phenomenon. And we have a lot of outflow migration from China to other countries. Patterns of migration are getting more and more complex and entangled with other aspects of transnationalism and globalization.

**Luo:** I totally agree. In the past people talked about illegal or undocumented immigrants, like the ones headed to the United States from Mexico. But this phenomenon is very similar to what’s going on in the Chinese domestic case, where we have the special household registration system that tries to control migration to urban areas. When I look at how people integrate into urban areas in China, I learn a lot from the case of Mexican immigrants – in China we’re also trying to determine whether to empower migrants who come to urban areas.

Is the rural-urban dynamic replacing the border in migration?

**Pries:** It is not rural, urban or international, but thoroughly mixed. In the US case, it is traditionally rural Mexico to urban United States. But if you look at California right now, immigrants are going from urban areas in Mexico to rural areas in California to pick strawberries.

**Luo:** In some ways I cannot fully agree with you. China is really facing these problems, but China is still a developing country. You cannot fulfill or empower all of your people in a country of 1.3 billion. It’s true, China has many high-skilled international migrants, and if we go back to China we may bring new ideas – but they should be incorporated into the current policy framework.

**Pries:** My argument was not liberalization and leaving the state out of this. States are very crucial. If we look at states which were successful in the last 30 years, it was always the ones with strong states – like China. There needs to be a combination of the state and civil society institutions.

**Luo:** All of the countries are improving governance and management, but we need to work out the process. It’s not a problem we can solve in one day.
“What fact makes you the most optimistic about our common future?”

**Klasen:** The world in 2000 was a very divided place. We had the rich and the rest. Now Africa, China and Latin America are seeing dynamic growth. We live in a world where people's lives are better than they have been for a long time.

**Kreibich:** Human ingenuity. I think people will be able to overcome the problems political institutions are creating for us through new inventions and organizational resources.

“What is the greatest challenge facing us in the next 25 years?”

**Klasen:** There are still islands of chaos and bad governance. In 2000, these conflicts were the majority. Now they are the minority but they could flare up again.

**Kreibich:** We need to control the increasing consumption and exploitation of natural resources by segments of the world’s population.

“What piece of advice would you give young researchers in your field today?”

**Klasen:** Economic development researchers need to think beyond the paradigm that the North gives aid and the South receives it. We now live in a multipolar world. We need to, for example, learn about South-South social protection programs like those spreading from Latin America to Africa.

**Kreibich:** Don’t separate yourself from practical issues and normal life. In our discipline, the nexus between academic research and urban development should be very close, even in our own individual lives.

“What was the most surprising insight you had at this conference?”

**Klasen:** I was very impressed by the African policy makers at the conference. Their world has changed completely. They have steered their countries towards a much brighter future recently. But they are also unsure whether the good times will last and so they want to create smart, cautious economic policy.

**Kreibich:** It was interesting to see what was going on in the neighboring disciplines, but I would have provided more opportunity for dialogue.

Stephan Klasen and Volker Kreibich served as scientific advisors for the OCF sessions on Economic and Urban Development. Klasen is a professor of development economics and empirical economic research at the University of Göttingen, where he also heads the Ibero-American Institute. Kreibich was, until his retirement in 2005, professor of spatial planning in developing countries at TU Dortmund University.