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Urbanization trends & good practices in Latin America

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Urbanization trends in Latin America

Latin America conventionally extends from Mexico to Tierra del Fuego in an incommensurable geographic, demographic, and cultural richness. It features two of the most populated cities in the world -Mexico City and Sao Paulo- reflecting a historical mass exodus from rural areas to cities where urban population soared from 49% in the 1960s to 81% in 2020 (UN Population Division).

The cities in the region have been facing various challenges to achieving the social targets of the 2030 Agenda for Sustainable Development in relation to poverty, health, education and social protection. For instance, such a key urban-related investment as public spending on housing and community amenities showed an average rise of 0.03 percentage points, to 0.58% of GDP from 2019 to 2021 (ECLAC, 2022). This includes both the administration of urbanization matters and slum clearance related to residential development, construction and remodelling of family homes, as well as the acquisition of land for housebuilding, family and community development, water supply and street lighting.

Urbanization is positively correlated with income per capita, as well as with capital, labor and productivity measures. However, in spite of displaying high urbanization rates, Latin American countries show relatively low levels of income, capital, labor and productivity. In order to overcome the negative effects of the pandemic and a milder urbanization rate ahead, urban strategies need to move towards innovative ways to preserve the value generated by the urban areas and benefit the families living and working

in them. Below, some key urbanization trends to find solutions and opportunities for the years to come.

Urban-Demographic Transition

Nowadays, the region is characterized by a double transition: an urban transition (lower rate of rural-urban migration) and a demographic transition (from population growth to population ageing). A small number of large metropolitan areas concentrate most of the economic, demographic and administrative activities despite the rise of intermediate cities.

The Latin American urban areas have been growing at a mild pace, resulting in environmental and economic challenges, in addition to the rising cost of managing and providing inclusive access to urban services and goods (CEPAL, 2018). The urban-rural wage gap continues to be a prime predictor of migration. That, in turn, could create a situation in which some urban economies may be unable to absorb the inflow of new workers, and they end up unemployed or underemployed. Urban employment promotion policies must be designed to provide opportunities for both current families and those who will come in search of better opportunities (BUSSO, 2021).

For instance, out of the total population in Latin America of more than 640 million in 2019, Indigenous Peoples represent 7% to 9% of the total population. They are distributed in 826 distinct Indigenous Peoples living in diverse environmental settings, including the coasts, the Andes and other mountainous areas, and the Amazon forest. However, the majority live in urban settings due to territorial displacement, degradation, conflict or exploitation, or to other socio-economic and environmental factors (FELIPE, TOMASELLI, 2021). Indigenous Peoples tend to remain among the poorest sectors in Latin American society and illustrate how the distribution of wealth remains extremely unequal, as the 2019 protests in different countries (e.g., Bolivia, Ecuador, Chile, and Colombia) have shown.

The increasing value generated in urban areas

In Latin America, the extraction and exportation of primary materials predominately impacts the GDP, while the urban activities are characterized by the major contribution of the service sector, which employs on average 35% of the population concentrated in urban and metropolitan areas. The state of São Paulo, the state and City of Mexico, and

the Province and City of Buenos Aires, contributed almost 25% of the regional GDP in 2010.

Nevertheless, the negative externalities associated with urban growth due to the weak planning, in addition to low productivity, informality, lack of investment in infrastructure and knowledge economies, limit the benefits that cities can offer towards agglomeration economies and of scale, the proximity of the factors of production, the exchange of ideas and innovation. These gaps are particularly important with regard to quality employment for the young population and women.

The pandemic was an opportunity for some cities to implement instruments to capture and distribute the value generated by digital transformation. The integration of local government initiatives in statistical and geographical information systems in a transparent manner has the potential to improve the urban democratic experience and contribute to more effective monitoring of urban development and generated value (CEPAL 2018).

Improving inclusion in urban areas

The cities of Latin America remain among the most unequal in the world despite considerable efforts and few achievements regarding to poverty reduction and social inclusion. Among the achievements, Latin American cities reduced the quantitative housing deficit and urban informality. Between 2005-2014, the percentage of the population living in slums dropped from 25.5% to 21.1%. But policies usually focused only in homeownership disregarding the connection to infrastructure and urban services. Socio-economic residential segregation and unequal access to housing and urban land persist as spatial expressions of inequality.

An endemic inequality shows three interrelated dynamics in the Latin American urban settlements: discrimination, segregation, and fragmentation. Urban discrimination is expressed in a physical and normative way when a person cannot access urban services and systems. Urban segregation refers to the concentration of a social group in a specific area of the city, forming socially homogeneous or exclusive areas due to social, economic, and cultural conditions. Urban fragmentation is the physical rupture (through gated communities, differences in facilities and services) and symbolic (resistance, behavior, attitudes, and practices), a consequence of unequal societies. It is characterized by homogenizing the urban space in parts physically and in the social imaginary.

Social inclusion in urban settlements is often associated with urban violence. For example, the homicide rate in the region rose 11% between 2000 and 2010, where in other regions in the world this rate stabilized or even dropped. Families are threatened by violent or unsafe environments in the city and often consider farthest areas to the city center better to settle with commuting and poverty of time at home consequences.

Environmental pressure due to urban growth

The high increase in private consumption has intensified levels of pollution and inefficiencies, among several reasons, due to the growth in private vehicle ownership. For example, during 2003-2010 the number of automobiles in Mexico rose from 203 to 275 per 1000 inhabitants and from 164 to 2009 per 1000 inhabitants in Brazil. Well-managed urban development represents a key opportunity to resolve the environmental challenges in the region.

The vulnerability of the region to climate change is due to the location of the main urban settlements and natural disasters in the Caribbean. Additionally threatening lives and the wellbeing of the population, have direct effects on economies, infrastructure, and social development, intensifying the urgent need for policies and measures for climate change adaptation, disaster risk management and urban climate financing at different levels: international, national and local.

Promoting of the Right to the City

One of the most important contributions of Latin America and the Caribbean to the global debate on inclusive urban development is the promotion of the right to the city, a collective right based on the democratic control of the processes of urban development. Without good governance or participation in the decision-making, urban settlements in the region lack management and data collection capacities. It is key for the region to explore a better public participation with important implications for promoting transparency and accountability; and urban legislation and jurisprudence that enable the application of inclusive urban development instruments.

Likewise, the strengthening of urban financing is a key element for enabling sustainable urban development by increasing fiscal authority and instruments that allow the capture of the value generated by urban development; and promote public-private partnerships,

regulatory asset base models, private investment, international cooperation, and increasingly diversifying sources for climate finance.

The way forward

The trends and challenges mentioned above called for better-coordinated efforts to turn Latin American cities into equitable spaces to grow and prosper. The Sustainable Development Goals together with the New Urban Agenda are indispensable tools to transform urban settlements in the region into inclusive societies.

A constant diagnosis of urban strength will enable a prioritization of actions and identification of investments. This evaluation has to be holistic to better assert the city's vigor, including an open dialogue among stakeholders. One key stakeholder and societal actor is the family unit. The family unit has proven to be the main agent for development within societies and the cornerstone for a sustainable city.

Focusing and analyzing the impact of urban policies on the family unit should show an accurate assessment of the needs for inclusive cities, especially in terms of investment in infrastructure and social development. In order to achieve this objective, families may need to be provided with adequate tools for strengthening their ability to reach their potential as productive, engaged, and capable agents of sustainable development, contributing fully to their members and communities and making of their urban setting a resilient societal group.

Below are some good practices featuring the family unit as a key actor for inclusive cities in the region:

The Venice Declaration

Since 2017, the International Federation for Family Development (IFFD) promoted, the Inclusive Cities for Sustainable Cities project. Its purpose is to configure an alliance of territories from all over the world aiming to be inclusive of sustainable families by being responsive to their needs. The contents are included in the Venice Declaration, with these ten topics: Housing, New Technologies, Education, Healthcare, Safety, Clean Air, Transportation, Affordability, Leisure and Tourism, and Vulnerable Families.

By accessing the Declaration, territories are committed to submitting a Monitoring Report every year to be presented to the United Nations Department of Economic and So-

cial Affairs by IFFD secretariat, with information of the previous year on the progress made on those topics that is assessed by academics. In November 2019, the first Annual Technical Meeting of the Signatories was celebrated in Curitiba (Brazil), hosted by the government of the State of Paraná, with observers from Netherland, Serbia, Sweden, Colombia, Qatar and other Brazilian states. The Curitiba Manifesto, agreed by all of them, contains the conclusions of the meeting and inspires the future evolution of the project.

Other signatories that have already joined are several Brazilian territories and more than 40 Mexican regions and municipalities. Some key good practices from the signatories below:

Sao Paulo

The city in their climate action strategies has recently committed to the expansion of urban security and improvement of the municipal transport system, with the aim of providing the use of alternative and non-polluting modes of transport.

Also, regarding new technologies, the city has created “Empreenda Fácil”, a platform that allows entrepreneurs to open and license their low-risk company completely online without the need to move. This initiative allows small companies to be legalized in the city, since the process has been simplified and the entrepreneur himself can carry out all activities without the need to hire an accountant.

Paraná

Creation of various technological tools to connect their citizens and provide services such as: the PIA app, which brings together more than 400 online services to assist citizens, the creation of the Paraná Solidário app that unites people interested in donating to some charity, and the Paraná Serviços app that unites an autonomous service provider with the population that seeks a certain service.

Local Initiatives

Perú

The Think Tank “Escucha al Perú” has promoted an initiative that inserts the microentrepreneur into the digital world and formalizes them. It consists of providing free internet service to microentrepreneurs with the condition that the beneficiaries must digitize their payment and collection processes and become bank users. In this way, the

entrepreneur will receive the benefit of being able to increase their productivity and sales by having access to Internet (several economic studies show higher incomes in entrepreneurs who have internet); they will also have access to credits committing them more to formalization and see its benefits.

Colombia

The Economic Commission for Latin America and the Caribbean (ECLAC) and the District Secretariat for Women of the Office of the Mayor of Bogotá have jointly established technical criteria and a number of gender-based indicators geared towards the design and implementation of the District Care System from a territorial perspective. A territorial approach to care policy means taking account of the socioeconomic, demographic and geospatial characteristics of territories and ensuring that care policy considers and is aligned with other territorially-based interventions (ECLAC 2021).

Ecuador

The Inter-American Commission on Human Rights (IACHR) has urged governments to plan the distribution of the vaccine based on a human rights and equity approach; and, in this framework, to pay special attention to indigenous peoples in immunization campaigns, given their heightened vulnerability to the pandemic. Ecuador considers indigenous populations living in urban areas, having issued specific operational guidelines for the implementation of the campaign among indigenous peoples and nationalities, Afro-Ecuadorians and Montubios (FELIPE 2021).

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