

Concept Note for Urban Research Symposium
Urban Development for Poverty Reduction:
Towards A Research Agenda

Background and motivation for the event

The World Bank has decided to initiate a series of annual research conferences on issues of urban growth and development in developing and transition countries, as there exists no regular international meeting of high caliber and broad perspective on this subject. The title and focus of the first research symposium, to be held on December 9th-11th, 2002, will be "Urban Development for Poverty Reduction: Towards a Research Agenda". This topic would address questions both at macro level (urban development's contribution to *national* poverty reduction) and at the more localized, city level (reducing poverty *within urban areas*).

The first symposium would be designed to convene a select group of research institutions, networks and other stakeholders that are engaged in, or clients for, poverty-relevant urban research with application to the developing and transition countries. These participants would be invited to summarize the best of their work and their views of future research priorities relevant to policy and practice. The objectives of this first event would therefore be to: (i) initiate a wide sharing of knowledge on the current status of urban research in all regions of the developing and transition economies, (ii) familiarize the external participants and Bank staff with the major sources and centers of this research, (iii) identify the broad lines of an agreed research agenda with relevance to poverty reduction, and (iv) create the basis for future research partnerships. We hope that this first symposium will therefore provide direction, impetus and some agreed collaborative framework for subsequent research conferences.

Guiding themes and questions for the symposium

The proposed Research Symposium aims to identify an agenda for future analytical work on urban development to address both problems that are persistent—those for which some solutions are known but often not well implemented—and issues that loom on the horizon—those for which understanding is currently lacking and there is need to begin filling major gaps in knowledge. The aim is to begin advancing the knowledge frontier specifically as it affects poverty, seen both as a national and an urban phenomenon.

Poverty reduction is defined here in the multidimensional framework extending beyond income or expenditure, and encompassing opportunity, empowerment, and security or reduced vulnerability (WDR 2000/01). Reducing poverty and increasing well-being through widely shared growth requires cultivating a wide portfolio of assets (human, physical, natural, social, financial, and intellectual capital). But social and environmental assets are often the most neglected or underprovided because they involve externalities or collective goods. In the urban context, this shortcoming is seen in concerns about worsening pollution, lack of public amenities, declining public safety, inadequate management of disaster risks, and deteriorating trust or social disintegration—and the poor often bear the brunt of such failures.

Since markets cannot provide all the coordination required to ensure an adequate portfolio of assets, other institutions (as well as creative use of market instruments) are needed to signal emerging problems and demands, balance interests, and execute solutions, in particular protecting social and environmental capital. This requires capacity for long-term commitment and often requires mobilizing dispersed interests and confronting vested interests. Institutional reforms that promote wide access to assets, voice, and information—thus giving all citizens an effective stake in the society's future and an ability to influence outcomes—are essential to ensure that the interests of the poor and disadvantaged citizens, and of future citizens, are heard to create a sustainable urban future. (WDR 2003).

Themes. With this background, three areas of current concern suggest overarching themes for a new urban research agenda:

Planning for urban growth. It has long been known that urban populations in the developing world will double in 30 years. Yet few governments are anticipating this growth and planning for it. The scale of growth poses major implications for population movement (migration), for use of land and water resources, for the location and nature of employment (especially for the bulging urban youth cohort), and requirements for housing, urban infrastructure and services. If not well managed, the doubling of urban populations could imply worsening of air and water pollution, with dire consequences for the health of urban residents (and increasingly, for the wider region), crippling congestion, social stresses, mounting public safety hazards—and worsening poverty. A priority is to identify effective and credible mechanisms of urban planning that can "get ahead of the demographic curve", working with markets but anticipating the major externalities and forging decisions of public choice with a long-term perspective.

The relevance of urban development to achieving poverty reduction and welfare improvement. The Millennium Development Goals direct governments and the international community by 2015 at the national level to: halve extreme poverty and hunger as well as the proportion of people without safe drinking water; achieve universal primary education; promote gender equity and empower women; dramatically reduce child and maternal mortality; and combat HIV/AIDS and other diseases. The MDGs also include a specific urban target, by 2020 to significantly improve the lives of 100 million slum dwellers. The national urban transition and development of urban areas ought to contribute markedly to countries' ability to meet these targeted national outcomes, because of the inherent advantages of urban areas—as magnets for enterprise, as marketplaces for lower cost and higher quality goods and services (including health, education and water supply), as a deep labor pool, and as an environment fostering innovation and equal opportunity. The challenge is to identify how the urban context can help ensure the realization of the desired **welfare outcomes** by creating resources, incentives and opportunities, and by confronting the intervening **risk factors and obstacles** that limit their achievement. The most troublesome barriers appear to be largely social and institutional, rather than technical or financial.

Ensuring effective local governance. Along with the growth of urban areas, local governments are being given greater responsibilities, and facing new domestic (and global) economic and social pressures. Local governments remain the weakest link in the public sector in most developing and transition economies, and few have even begun to realize the potential of innovations in technology and information for urban management. Credibility and accountability of local governments are often poor, and incentives for municipalities to coordinate across metropolitan areas has even been weakened in many countries by decentralization legislation, worsening prospects for addressing issues of citywide networks and externalities. New ways of doing the business of local governance, through sharing of responsibilities across levels of government, with the civil sector, and with the private sector, are still on the drawing boards in many countries or limited to isolated good examples. Many innovations in governance are occurring outside the formal institutional settings. It remains urgent to raise the caliber of local governance to meet the demands of urban growth and create a model of urban development that is inclusive and empowering of the low income residents.

Proposed areas of investigation. These themes raise a large number of issues that could be addressed under the following four broad lines of inquiry:

1. *Setting the stage: Assessing urban growth trends and their socio-economic implications*

A. The perspective on urban growth and urbanization at the national level:

- What patterns of urban growth and urban dispersion (evolution of the *system of cities*) are most conducive to national economic growth and poverty reduction, and to extending the benefits of urbanization across regions of the country? To what extent can the process of urban dispersion, and the growth of different size and types of urban areas, be influenced by policy or public investment to better serve national goals of poverty reduction?
- How can internal migration be made most effective as a mechanism to enhance labor productivity, growth and poverty reduction (for both sending and receiving areas)? What are obstacles to the integration of migrants into the urban economy and society?
- How can national and urban labor markets be best supported to foster efficient labor mobility?

B. Measuring and analyzing urban poverty

- What are effective ways of assessing the nature, dimensions and sources of urban poverty (in both income and non-income terms)?
- Cities are both mechanisms of raising individuals out of poverty and beacons to the poor. Are widely shared improvements in the welfare of current urban residents outweighing increases in the numbers of new poor?
- What is the evidence of urban poverty "hardening" or becoming entrenched, and under what conditions?

2. *Creating systems of urban governance that are socially inclusive—and providing institutional arrangements that can encompass the scope and scale of urban problems*

A. Intergovernmental relations: preventing the poor from falling through the cracks in institutional infrastructure

- What are conditions needed to ensure that fiscal decentralization serves the needs for national and urban poverty reduction—balancing the potential benefits of accountability and voice at the local level, against needs for sharing the fiscal burdens of poverty alleviation across larger populations?
- What are innovations and experiences with metropolitan management that provide effective ways of addressing inter-jurisdictional issues, while retaining strong accountability to electoral constituencies? What factors contribute to metro residents' commitment to seek common solutions, when these often require sharing of tax bases and recognition of unequal incidence of benefits and costs across a metro area?
- How can administrative and political structures keep pace with urban and periurban population growth—and what are effective transitional solutions?

B. Incentives for good governance: promoting creativity, leadership, and responsiveness in urban institutions

- What are effective mechanisms for institutionalizing an adequate voice for the poor residents in public decision-making?
- How can trust in local government, and high expectations for its performance, be enhanced among the urban poor and other constituents?
- How can informal institutions, and alternative or non-conventional structures for urban governance, lead to scaled-up and sustainable solutions?

C. Planning and technology for urban management

- What are promising techniques, tools or instruments for planning and managing growth of an urban area—to replace the discarded "master planning" (moving from directive to indicative to strategic planning...to implementation)?
- How can technologies be used effectively to promote responsive and efficient urban government?
- How can the future resource needs of growing cities—for conversion of peripheral land, water resources, waste disposal sites, etc.—be anticipated and most importantly, responded to effectively?

D. Capacity building and learning

- How can local governments expand their capacities and knowledge quickly, reliably and effectively to meet public interest goals?
- What has been learned about effective partnering in service delivery or other essential functions—e.g. through devolution, concessioning, and unbundling of functions to community level or private sector entities?

3. *Reducing urban poverty and raising welfare by improving access to assets (human, physical, natural, financial, social, and intellectual capital)*

A. Income poverty and financial security

- How can the growth of incomes and sustainable livelihoods be ensured for the poor? What are the main obstacles to labor market participation (e.g., transportation, child care), job retention, and self-employment/entrepreneurship? What strategies, policies and programs help ensure that the poor participate in local economic development?
- How to raise the earning capacity and qualifications of low income residents, and especially the masses of urban youth?
- What kinds of income safety nets (policies and programs) are applicable and relevant to the urban context?

B. Non-income poverty—ensuring health, dignity, and quality of life

- What are the specific threats to health status in urban areas and how can these be mitigated?
- Are urban areas realizing their potential to provide opportunity for good educational and health outcomes, and overall improvements in quality of life, for all residents? If not, what are the obstacles to the efficient provision, affordability, and choice of quality services (not only education and health care, but also water/sanitation, clean energy, and recreational amenities) as contributors to desired welfare outcomes?
- What are specific solutions to ensuring security of tenure (protection from arbitrary eviction) and broader land and property rights for the poor? What are other effective means of improving access to affordable housing?

C. Social integration, collective and personal security—strengthening social capital (trust, cooperation, shared values)

- How can associational networks and social connectivity among urban residents be enhanced, and barriers removed that undermine social capital and inclusiveness?
- How can extremes of inequality within urban populations be avoided, or reversed where they exist?
- What are the factors associated with "social pathologies" such as crime and violence in urban areas? What are some solutions?
- How do other intervening factors, such as behaviors and exposure to multiple environmental and social risks, affect urban welfare outcomes and how can these be mitigated?

4. *Providing a clean, safe, and spatially inclusive city—enhancing positive externalities and reducing harmful externalities in the urban environment*

- A. Public environmental goods.** Providing public environmental goods (good quality air and water, parks and green spaces, safe waste disposal) produces widely shared benefits for all residents. The poor suffer especially from the inadequacy of public goods since they are least able to protect themselves from the resulting spillovers or to compensate with private alternatives.
- How can the dispersed interests of the urban population, and especially of the least powerful residents, in acquiring such public goods be strengthened (such as through mechanisms to increase voice and access to information on benefits and impacts)?
 - What mechanisms to assess demand and balance divergent interests are effective in promoting the provision of public goods and compensating/reducing negative externalities? Such mechanisms are necessary to identify workable fiscal/financial arrangements and stakeholder partnerships, and to define the scope for market instruments.
- B. Mobility and accessibility.** Ease of movement and accessibility throughout the urban area are key to realizing the advantages of cities that derive from proximity to diverse employment, services and amenities. However, the transport infrastructure and services in cities often benefit relatively few residents, are highly congested, and respond poorly to the demands of low income users and those with special needs (including women, the elderly and the disabled), despite considerable public expenditure on investment and subsidies.
- How have the transport needs of cities been addressed in ways that foster inclusion and ease of access for the poor and disadvantaged residents?
 - To what extent is spatial accessibility a “merit good” and what does this imply in terms of the design and financing of urban transport systems and services? What have been the experiences with price and subsidy policies in permitting financially sustainable transport services for the poor and other target groups?
- C. Urban land as both social and private good.** Uses of urban land have major implications for the social benefits of urban living as well as for private benefits. Efficient and flexible land markets are necessary for urban land to be shifted to new uses as the city develops. Access to affordable land and security of tenure are also fundamental to the development of a social integrated, inclusive city.
- What are conditions and mechanisms that promote both effective land markets and the essential social character of urban land use, to further both economic and social goals for the city?
 - What have been experiences with specific instruments and innovations for land use planning and regulation (including zoning, land assembly, land rights regimes, registration and information systems, etc.) to serve public interest goals and correct for market failures?
- D. Mitigation of disaster risks.**
- How can collective risks, such as vulnerability of urban areas to natural disasters, be assessed and balanced to devise mitigation responses that protect the interests of the poor and most vulnerable residents, and of future residents? *(Note that this question will be one of the main topics in the World Bank conference on disaster risk in cities, to take place in the week preceding the Symposium, and therefore is noted here as a cross-reference.)*