The Evolution of

National Urban Policies

A Global Overview

UN-HABITAT
FOR A BETTER URBAN FUTURE

Cities Alliance
Cities Without Slums

The Evolution of National Urban Policies
A Global Overview

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Foreword

More than half of the world's population currently live in cities, and a projected 70 per cent will be living in urban areas by 2050. Urban settlements are growing and will continue to grow whether this is planned or they simply spread.

Much of the way in which cities progress, stagnate or become dysfunctional depends on the extent to which their evolvement is planned, coordinated and well-managed. These factors, in turn, depend on the skills, money and political will being available and used in the best possible way to improve the lives of millions of people. The alternative is poor transport networks, insufficient water supplies, public health crises and slum settlements, among other things.

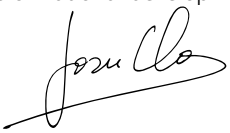
Governments in many countries have taken the initiative and have developed policies to coordinate and manage the process of urbanization in their respective countries. Because of the different contexts, histories, skills capacity and other features, each country's urbanization process is different, with varying goals and unique challenges. There is no one urbanization policy that fits all scenarios, but there is much to be learned from other countries' experiences.

Nevertheless, achieving sustainable urban development requires that stakeholders, through a participatory process, foster urban policies that promote more compact, socially inclusive, better integrated and connected cities that are resilient to climate change.

A National Urban Policy is a coherent set of decisions derived through a deliberate government-led process of coordinating and rallying various actors for a common vision and goal that will promote more transformative, productive, inclusive and resilient urban development for the long term. As such an national urban policy is often an interactive process.

This publication provides an overview of urban policies and how they have been developed in selected countries from different regions. Specific problems and how they have been dealt with are illustrated and the promising ways of dealing with some specific issues are drawn from the examples. You will find in the publication selected efforts currently being made around the world to manage urbanization. From this review, some important principles and lessons emerge that can be applied in many contexts. Being aware of them could mean the difference between vast amounts of money and time being lost and having a national urban policy that paves the way to sustainable, stable and dynamic cities.

In the context of the elaboration of a New Urban Agenda as an outcome of the third United Nations Conference on Housing and Sustainable Urban Development (Habitat III) in 2016, national urban policies are key opportunities to establish a connection between the dynamics of urbanization and the overall process of national development for the next 20 years.



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Market in Jacmel, Haiti © **Helene Fourniere**

Summary


Kuala Lumpur, Malaysia © **Flickr/Trey Ratcliff**

The purpose of this publication is to review the experience of national urban policies (NUPs) in selected countries around the world in order to draw broad lessons that would inform other countries interested in formulating or implementing their own policies. The urban challenges and opportunities are very contextually different, so the responses need to vary accordingly. It matters a great deal whether a country is urbanizing slowly or rapidly, in response to push or pull factors, with few or many resources to invest in urban infrastructure and services, and with strong or weak institutional capabilities. There is no single model of NUP with a standard outcome and a universal approach that can be replicated in different places. Nevertheless, there are important principles that can be followed.

The high-level lessons emerging are as follows:

1. Governments need to be more sensitive to the threats and opportunities posed by rapid urban growth. These cannot be addressed by compartmentalized policy-making. Active support needs to be mobilized across the different spheres of government to ensure a **coordinated approach to planning and managing cities and towns.** The argument that well-functioning urban areas can help to unleash the development potential of nations is more persuasive than the argument that urban policy is about alleviating poverty and meeting basic needs.
2. Implementation requires a sustained **technical process to develop the legal foundations, capable institutions and financial instruments to design and build more productive, liveable and resilient cities and towns.** In developing these capabilities, the public sector needs to work closely with local communities, private investors and other interests. Successful cities cannot be built by governments alone.
3. Effective delivery requires **active collaboration between spheres of government** along with the devolution of appropriate responsibilities and resources to enable city authorities to respond to conditions on the ground and get things done, with support from the centre and in collaboration with other stakeholders. The active participation of cities is necessary to achieve many national policy goals.
4. An important objective is to manage the peripheral expansion of cities in the interests of **more compact and inclusive urban growth,** with shorter commutes and less damage to surrounding agricultural land, fresh water sources and other ecosystems.

5. Urban consolidation requires pro-active efforts to **increase the quantity and quality of land and property developed within the urban core and along transport corridors,** more intensive use of well-located vacant land, and upgraded urban infrastructure. It tends to go hand-in-hand with more mixed-use development and less segregation of land-uses.
6. It is **less socially disruptive and more cost-effective to plan for urbanization by preparing the land and infrastructure in advance,** rather than trying to repair, redevelop or relocate informal settlements once they are established. Wherever possible, existing informal settlements should be formally recognised and upgraded.
7. Urban policy requires a **broader territorial perspective on metropolitan regions, including stronger connectivity between cities, towns and rural areas,** to promote their distinctive strengths and to encourage mutually beneficial interactions between them in the interests of national prosperity and inclusive growth.

Keywords: national urban policies; long-term developmental agenda; preparing for urbanization; organizational capacity building; institutional coordination; infrastructure and services; efficient land management; effective city strategies, socially inclusive, coordination.

New York, USA © **Flickr/Jess Garrison**

1 Introduction

A section of Port-Au-Prince, Haiti © UN-Habitat/Julius Mwelu

The spatial concentration and growth of the global population in poor and middle-income countries during the twenty-first century presents important opportunities as well as major challenges. Large-scale urbanization has the potential to generate substantial benefits for economic development, social progress and efficient use of natural resources. However, burgeoning cities with high population densities also expose countries to heightened risks of social dislocation and environmental degradation. Either way, there is little doubt that the form and character of urban growth over the next few decades will have a major bearing on the well-being and life chances of several billion people. It will also influence global migration flows and international stability, and will affect the resilience of the world's ecosystems in the context of climate change and increasing resource scarcity.

The objective of this publication is to review the efforts of selected national governments around the world to plan and manage urbanization in a way that is more sustainable, productive and inclusive than in the past. A new generation of national urban policies (NUPs) is emerging that is more aware of the gravity of the issues at stake, more ambitious in

scope, and more integrated in approach than earlier urban policies. The specific purpose of this review is to inform the ongoing activities of UN-Habitat and other international development partners to support mainly lower-income countries experiencing rapid urbanization to formulate, implement and review their own NUPs. Put simply, there are two kinds of tasks involved: mobilizing the political and institutional support for a concerted effort to shape the trajectory of urban growth, and developing the technical capabilities, legal frameworks and financial instruments to implement this commitment consistently. This process is likely to benefit if it is seen as cumulative and sustained across political cycles, i.e. if it has a long-term perspective.

A national urban policy (NUP) should aim at defining a vision, guiding principles and set of linked actions by national governments to realize the positive possibilities and to tackle the problems arising from the concentrated growth of population and economic activity. An NUP covers the overall intentions that governments have, and what they actually do, within their towns, cities and metropolitan regions to make them function better – economically, socially and ecologically. This will help them accommodate future growth more efficiently and equitably so that the welfare of citizens is improved and they are less vulnerable to hazards. NUP may cover a range of different policy measures and instruments that work best in combination, including plans, programmes, projects, regulations, organizational arrangements and financial tools. These measures may accumulate and be refined over time. The sensitivities surrounding spatially selective policies of this kind mean that they sometimes have a low profile or are implicit. They may also be counteracted by other territorial policies or by sectoral policies, such as the provision of spatially blind housing subsidies or the construction of freeways, which can distort urban trajectories by encouraging extensive forms of urban growth. Having explicit objectives, targets and instruments for urban development can help to give cities and towns the focused attention they need to tackle their complex challenges.

Dhaka, Bangladesh © **Cities Alliance/William Cobbett**

Urban policy has a long and chequered history in some of the countries discussed in the publication. This includes periods of negativity, control and coercion when the intention was to disperse people and activities away from the main cities, or to clear poor communities from older residential districts to make way for commercial redevelopment under the guise of "slum improvement". One cannot assume that urban policies mean the same thing in different contexts simply because they are called urban policies. There is also no single model or approach guaranteed to produce a desirable outcome that can be replicated in different situations. Attempts to introduce an NUP need to be responsive to the national context and sensitive to the political culture and appetite for such a policy. This makes it vital to understand the distinctive history and evolution of urban policy in each place, including the role of other territorial, rural and regional policies.

The publication is based on a desk-top study and review of existing literature and other material on NUPs in 20 countries around the world, selected on the basis that their experience is of wider relevance in some respect. Some countries have particularly bold or innovative NUPs, or have overcome particular hurdles to introduce an NUP. The focus is on low- and middle-income countries in the South, rather than in Europe and North America. Different sources of evidence were validated by cross-checking wherever possible. Interviews conducted with participants from a wide range of countries attending two international workshops on urban policy in Madrid (Spain) and Medellín (Colombia) in March and April 2014 proved particularly useful in this respect. The workshop participants included government ministers, senior officials, academics, consultants and staff from international organizations such as UN-Habitat, the World Bank, the Organization for Economic Cooperation and Development, and Cities Alliance. Some of them helped to arrange follow-up interviews with other key informants in their countries to gain further understanding.

Reconstruction of a house in Bagh, Pakistan **© UN-Habitat**

The gathering of relevant documentary evidence was not a straightforward exercise for several reasons. There is a striking lack of objective historical accounts of the evolution of NUPs in most countries. There is a particular dearth of independent analyses of why such policies have changed and what impact they have had. Other problems surround the identification of relevant material. Foreign language barriers can make it difficult to identify an urban policy, especially if it has a strong sectoral emphasis and is officially defined as, say, a human settlements policy. For example, Morocco has had an impressive programme to tackle slum housing for more than a decade, but there is limited information on it in English. Some governments do not give their urban policies much prominence, perhaps because of their sensitivity. For instance, it is hard to find anything about Ghana's urban policy on the internet, despite its formal approval in 2012. Perhaps most important, some NUPs appear to be significant on paper, but the reality is different, with limited follow-through to delivery. The symbolic function of these policies can only be understood through interviews with key informants. In one case, the latest version of Nigeria's urban policy states frankly that: "Despite the fact that Nigeria adopted a robust National Urban Development Policy in 1992, there has been generally little achievement to show in terms of implementation" (Federal Republic of Nigeria, 2012, p.4).

The structure of this publication is as follows: the next section outlines why there has been a revival of interest in urban policy. Section three considers the long history of government efforts to plan and manage cities, including the different approaches that have emerged. The fourth section reviews the experience of different countries to identify the diversity of contemporary practice. The discussion tends to focus on what is distinctive about each country. The conclusion distils broad lessons for the design and implementation of NUPs.

Diepsloot secondary city, South Africa © **Cities Alliance/William Cobbett**

2

Resurgent interest in national urban policies

Hong Kong affordable housing © Flickr/Design for Health

There are several reasons why governments have become more interested in urban policy in recent years. The pressures and problems caused by large-scale urbanization are probably the most important in many countries (UN-Habitat, 2010, 2012, 2014). The growth of populations in cities is the result of two separate demographic processes: rural-urban migration and natural growth (births minus deaths). Their relative importance varies greatly between cities and nations. In China and several other Asian countries, migration outweighs natural change following the decline in population fertility in recent decades. In many African countries, the opposite is the case and natural change outweighs migration (UN DESA, 2012). The physical and statistical growth of cities also occurs through the incorporation of peri-urban settlements as the built-up area of the city expands and administrative boundaries are enlarged.

Rapid population growth presents all kinds of challenges, especially when it exceeds the fiscal capacity of the government to fund additional public infrastructure (which is very costly) and it exceeds the absorptive capacity of the labour economy to provide jobs for the expanding workforce (Collier, 2007; Martine et al, 2008; Annez et al, 2011; Glenn

et al, 2012; UN-Habitat, 2013; Buckley and Kallergis, 2014). One of the consequences is the emergence of dysfunctional forms of urban development, which become "locked-in" and complicated to rectify or reverse. For example, overcrowded informal settlements are often difficult to upgrade and reorganize into a more efficient spatial arrangement because of the complex social structures in such communities and the awkward negotiations required to move selected dwellings in order to install underground infrastructure and access roads, let alone to agree upon more widespread reconstruction. Unauthorized building in environmentally sensitive, high risk areas, such as steep hillsides and floodplains, can pose many major hazards to the people living there, yet people may still resist relocation to new neighbourhoods, especially if these are more isolated from economic opportunities.

Haphazard and unregulated urban development can damage sources of food supply, water catchments and other natural systems. Sprawling low-income housing estates built on cheap peripheral land are difficult to convert into rounded settlements with amenities and access to jobs because of their marginal locations (UN-Habitat, 2010, 2013). Pressure to build housing on well-located land can make it difficult for industry and other economic activity to find space in which to operate. Severe traffic congestion on major urban arteries adds to business costs and is very costly to tackle through underground tunnels or subway systems. Therefore, ignoring the spatial pattern of growth can undermine the viability of human settlements because the cumulative effect of uncoordinated business and household location decisions is bottlenecks in public infrastructure, gridlock on road networks, energy and water shortages, and increased risks of environmental damage from pollution. In short, serious negative externalities can arise from the self-interested decisions of individual investors, firms and households.

Road traffic in Hyderabad, India © **Flickr/Nicolas Mirguet**

Rapid urbanization can also have profound consequences in form of human misery and distress (Collier, 2007; Beall et al, 2010). The growth of dense concentrations of poor households living in squalid conditions without basic facilities increases vulnerability to the spread of infectious diseases, outbreaks of fire, flood damage and other hazards. Intense competition for scarce resources and livelihoods in divided communities can foster a rising tide of frustration and conflict (Beall and Goodfellow, 2014). Social disaffection and political unrest are obvious problems in themselves, but they also undermine the prospects for attracting investment and threaten the welfare of society as a whole, particularly in parts of Africa (Buckley and Kallergis, 2014). A vicious cycle can emerge, whereby population growth overloads the public infrastructure and puts increasing strain on the social fabric, which fuels popular unrest and crime, and deters productive activity and jobs. This encourages informal forms of provision, which can undermine social protection and the quality of services, thereby reinforcing and multiplying the original problem. An important objective of NUP in these contexts is to disrupt the downward spiral by intervening to mitigate the adverse spillovers of urbanization.

There is also a positive, developmental argument for NUP which is attracting increasing attention from governments (Cochrane, 2007; Turok and Parnell, 2009; World Bank, 2009; UN-Habitat, 2012; Jha et al, 2013; Turok, 2013). This relates to the potential gains for productivity, job creation and higher living standards from the geographical concentration of population and economic activity. There is growing recognition that urban environments foster entrepreneurial dynamism and ingenuity, reduce transaction and transport costs, facilitate more intense trading between enterprises, and engender stronger collaboration and learning between firms and other economic agents (Jacobs, 1984; Glaeser, 2011). The concentration of people, firms, infrastructure and institutions in one place means that resources of all kinds are used more efficiently and creatively, thereby saving costs and promoting innovation. This also boosts the competitiveness of the local and national economy (Buck et al, 2005; Glaeser and Joshi-Ghani, 2013).

These "agglomeration economies" can be summarized in three broad functions: matching, sharing, and learning (Duranton and Puga, 2004; Storper, 2010). First, cities enable firms to match their distinctive requirements for labour, premises and suppliers better than smaller towns because markets are larger and there is more choice available. Second, cities give firms access to a better range of shared services because of the larger scale of activity, which generates scale economies for infrastructure providers. There are better external connections to national and global customers and suppliers through transport links to more destinations and more efficient logistics systems. Third, firms benefit from the superior flows of information and ideas in cities, which promote more creativity and innovation, and result in more valuable products and processes. Proximity enables people and firms to compare, compete and collaborate, which can create a self-reinforcing dynamic that spurs growth from within and enables adaptation to changing market conditions and technologies. Positive feedback loops mean that the benefits go beyond one-off efficiency gains and can be cumulative in attracting more mobile capital and talent, and promoting continuous upgrading and technical progress.

These advantages are not automatic or inevitable (Turok and McGranahan, 2013; Buckley and Kallergis, 2014). In practice, they may be undermined by rising congestion, insecure infrastructure networks and higher labour and property costs. These reduce the attraction and retention of business investment and weaken local and national economic performance. Much depends on the physical environment in which urban growth occurs and the investment made by the public sector to improve the way cities function (UN-Habitat, 2012, 2013). It is particularly important that infrastructure and services keep pace with population and economic growth, that the location of housing and jobs is broadly aligned, and that proximity and density are promoted to enhance productivity and growth. Explicit spatial plans and regulations can create a more predictable environment for private investors and help to prevent careless and haphazard development that generates negative externalities and higher costs. In the case of predominantly informal economies, there is also much to be gained from sensitive urban design and encouraging enterprises to organize themselves so that they can become more productive and successful over time.

Harnessing the forces of agglomeration also depends on the "quality" or dynamics of urbanization, i.e. the way in which businesses and people find their place within cities (Turok and McGranahan, 2013). This means the position new arrivals occupy in urban labour markets, housing systems, and education and training systems. For firms it means the niche product markets, supply chains and business premises they occupy when they are start-ups or relocate to an urban economy. Flexibility to move on when household or business requirements change is also important. Cities which are good at accommodating and absorbing new arrivals are likely to be more productive, because people and firms that find fulfilling sites to occupy and rewarding roles to perform will tend to be more energetic, enterprising and inclined to invest. If they are consistently shunned and excluded from urban opportunities, the outcome is likely to be frustration, anger and anti-social behaviour. This illustrates how urban equity and inclusion can reinforce efficiency and growth.

LRT system in Tenerife, Spain **© Wikipedia/Axe**

The implication for policy is that it is important for governments to create and maintain an enabling environment for growth to occur, with supportive infrastructure and competent institutions (Turok, 2013; UN-Habitat, 2012, 2013; Buckley and Kallergis, 2014). It means identifying and protecting different types of serviced land and property for productive activities within cities, and encouraging more intensive use of the land over time. It also means giving people real choices about where to live and the conditions in which to live, including assisting rural dwellers who want to access urban opportunities to find affordable shelter. In circumstances of burgeoning populations, it will always be difficult to manage the conflicting requirements for scarce urban land from different sectors and groups. This makes it particularly important to have fair and transparent systems of planning and regulation in place to avoid arbitrary decisions, to simplify land transactions, redevelopment and intensification, and to ensure that a proper balance is struck between economic, social and environmental considerations, based on local knowledge and judgement of what is appropriate.

National governments have an important role to play in rallying support for urban growth and securing the resources to enable the process to become more efficient and equitable (Turok and Parnell, 2009; UN-Habitat, 2012; Parnell and Simon, 2014). Part of the function of an NUP is to establish a shared vision, set of principles and enduring commitment to build more integrated and inclusive cities. This is needed to overcome the inertia, vested interests and silo-based decisions that perpetuate the status quo and obstruct compact urban development and transformation. It means trying to engage key government departments, infrastructure providers, major property developers, financial institutions and other national stakeholders in a collective effort that will be sustained over time and across political cycles. Housing, transport, basic infrastructure and other sectoral policies need to be adapted to local circumstances and coordinated more effectively to ensure consistency.

Residents of Harar town in Ethiopia line up for water. **© UN-Habitat**

National governments also need to create the legal framework for urban land to be allocated and traded efficiently, and for taxes to be paid by property owners to fund viable municipal services (Napier et al, 2014). Governments need to create additional financial instruments to support investment in new and upgraded water and sanitation systems, transport networks and other urban assets (UN-Habitat, 2012, 2013). Governments also have a role to play in strengthening the technical capabilities of city authorities to plan and manage the process of urban growth better (Smit and Pieterse, 2014). Within the cities, different plans and budgets need to be aligned to ensure that priorities are consistent and that plans are actually implemented. Without an organised and competent public sector there is little prospect of guiding private investment decisions in order to achieve a more efficient spatial arrangement with higher density development in suitable locations, intensive renewal and retro-fitting of old established areas, and greater internal and external connectivity to other cities and towns (UN-Habitat, 2013).

To sum up, cities are too important to be left to their own devices, especially where city governments are weak, fragmented and poorly resourced. Cities need the support of national governments, just as they have a great deal to contribute to national economic vitality, social dynamism and sustainable ecosystems. Some principles of NUP already emerging from this discussion include:

- Visible support for cities and towns as the locus of urbanization pressures;
- Cross-cutting policies that take each city or town seriously;
- A forward-looking developmental agenda;
- Stronger city-level institutions to plan and manage urban growth, and
- Robust legal and financial instruments to help implement policies effectively.

Public housing in Singapore **© Flickr/Dickson Phua**

3

The history of national urban policies

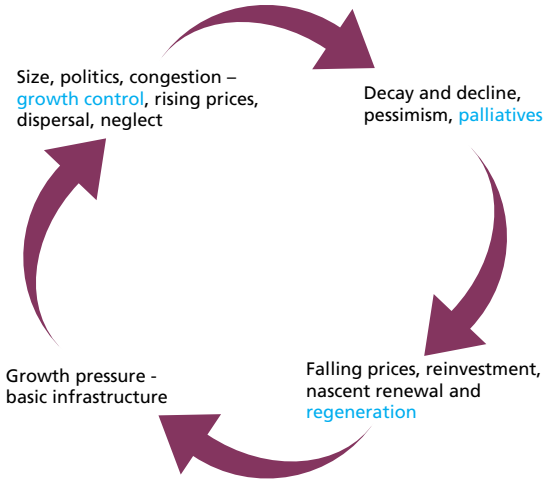
Open sewer in informal settlement in Dar es Salaam, Tanzania
© Ivan Turok

3.1: An evolutionary policy cycle

Looking back over the long history of urban policy during the last century or so, it is possible to detect a simple cycle characterizing the alternating attitudes of many national governments towards their major cities. It stems in part from the relative size of the two entities, as well as the fact that most nation states are political units, whereas city-regions correspond more closely to natural economic entities. Figure 1 seeks to capture the broad shifts in thinking that can occur over lengthy periods of time. It is obviously a gross generalization of how policy can evolve across very different contexts and timescales as cities grow or decline[1] (vertical scale) and attitudes become more positive or negative (horizontal scale). The timescale and strength of attitudes differ in detail between each country depending on their specific circumstances, but the broad pattern outlined here illustrates some of the dynamics at work. In essence, there appears to be a kind of "love-hate" relationship that alters over time as governments recognize the disproportionate contribution and status of their large cities, offset by the threat they pose to national identity, resources and power structures. Positive

1 Decline may be relative rather than absolute, and affect economic variables more than demographic. The population of many cities in the South may continue to grow despite anti-urban policies because of natural change (births exceeding deaths) as much as rural-urban migration.

FIGURE 1: THE EVOLUTIONARY CYCLE OF NATIONAL URBAN POLICY



recognition tends to result in tangible support, whereas political apprehension may mean ambivalent policies and attempts to control local autonomy.

Early on, as cities grow and develop, they tend to make bigger demands on the public purse for infrastructure funding and programmes to manage the social challenges associated with concentrated populations. During this first phase (bottom left of figure 1) governments tend to respond positively to the obvious dynamism and growth in output and jobs apparent in these locations. Additional resources are allocated to alleviate the emerging bottlenecks in water, sewage and energy systems, to reduce the pressure on road networks and refuse disposal, and to tackle environmental health problems. The national approach is essentially reactive because there is little established knowledge or experience of how to shape spatial development patterns in a more pro-active, forward-looking way. Nevertheless, the investment tends to be economically efficient because it is addressing obvious growth constraints. National governments are also inclined to strengthen the responsibilities and resources of local governments because they are closer to the ground and more in tune with emerging problems. National support for local initiative and experimentation may release a great deal of creative energy and ingenuity at the city level because of the real-world challenges to contend with. Cities appear to be the places where things can be accomplished because the political imperatives to act appear to be greater and there is increasing power to make a difference. There may also be less interference from competing national bureaucracies with their highly developed administrative procedures, which can slow down decision-making and obstruct innovation.

As cities get bigger they are often perceived to be more of a threat to national governments (top left of Figure 1). Their economic and political significance increases and civic leaders become bolder and more demanding. Local property prices tend to rise disproportionately because of the benefits that households and firms obtain from a thriving metropolitan location. Growing congestion, shortages of building materials and labour, and pressure on land and infrastructure networks add to the direct and indirect costs for governments. As these cities expand and become more crowded, the cost of living increases, and social tensions and crime rates often rise, which can be another set of factors provoking a shift in attitude. Civil society becomes more diverse and fractured, social movements get better organized and conflicts of interest within the city become more apparent, sometimes resulting in violence. Governments become more sceptical of the benefits of burgeoning metropolitan regions and start looking for ways to control their growth and divert investment elsewhere. They may introduce physical restrictions on the amount of additional land earmarked for development and deliberately withhold investment in additional infrastructure capacity in order to discourage people from

moving to these cities and to deter businesses from expanding within them. Governments' doubts about big cities may coincide with growing criticisms of an "urban bias" from rural interests, who perceive cities to be getting preferential treatment and excessive investment.

The coincidence of rising prices, escalating infrastructure costs and government indifference can begin to discourage further investment and induce firms to start dispersing towards other cities and towns (top right of Figure 1). A turning point may be reached when local conditions generally start to deteriorate and an overall process of decline sets in. This may be most apparent in the industrial base of cities, given the mobility of manufacturing and its sensitivity to local operating conditions. It will not necessarily translate into absolute demographic decline, or to a fall in land and property prices, if the national population is growing, as in many African and Asian cities. Nevertheless, incomes may stagnate from the economic slowdown and unemployment increase relative to other areas. The decline in formal employment may be offset by a rise in informal activity and more precarious jobs and livelihoods. The quality of the environment may begin to decay and the infrastructure to degrade through lack of maintenance and renewal. More and more potholes may appear in the roads and electricity blackouts may become more frequent. Informal service provision may come to replace traditional public services.

A mood of pessimism may descend in some parts of society and encourage short-term decision-making and "fire-fighting" in the public and private sectors. A range of palliatives may be introduced by government to alleviate rising unemployment and poverty, and to stem social discontent and unrest. Efforts to consult local communities may be stepped up in order to understand their concerns and to involve civil society organizations in devising solutions, recognizing the limits of the government going it alone. Civic leaders may be replaced and local governments restructured because it is expedient to hold them responsible for the malaise and looming crisis.

Women enterprise project in Ushafa Clinton village Abuja, Nigeria **© UN-Habitat/Julius Mwelu**

In due course, a process of renewal and regeneration may begin (bottom right of Figure 1). Land and property prices may fall to such an extent that sizeable assets are written-off, development becomes profitable again and businesses that depend on low costs and narrow margins may move back to the city. Private sector reinvestment may also be stimulated by government incentives and promotional initiatives designed to compensate for and reverse the negative image of the city. The national government may realize the damage to the national economy from under-performing metropolitan areas and that it is counter-productive to deter industries that would be better off located in the big cities. The social risks of mass unemployment, dilapidated infrastructure and under-investment in public services may also become apparent. By creating public-private partnership arrangements they may draw investors into decision-making, benefit from their insights, and restore confidence in the future. The promise of private sector financing may in turn encourage higher levels of public investment, based on the leverage principle. Streamlining red tape and relaxing excessive environmental regulations and building controls may also prompt forms of (re)development that would otherwise be infeasible. Other forms of urban innovation may be spurred by the development and application of new technologies in realms as diverse as transport, buildings and public service delivery. Bold leadership may reconfigure the urban infrastructure and redesign whole neighbourhoods and business precincts in order to transform the city's prospects. This may lay the basis for a new surge of investment and growth.

3.2 A brief history of urban policy

Some examples are provided in the following section of countries that have followed this cycle. Before that, there is a brief outline of the history of urban policy. Some of the basic principles for designing and regulating the use of space can be traced back to towns and cities in the ancient and medieval world which were consciously organized and managed, rather than allowed to grow in an unstructured, organic fashion. Water and fuel were supplied from elsewhere, and there were formal ground plans and geometric street layouts for mobile armies to be deployed or for functional or aesthetic reasons. For example, early Greek, Roman and Egyptian civilizations laid out many of their towns and cities across Europe and the Middle East according to fixed plans with a regular structure to enable circulation and centrally-located public spaces to glorify rulers. Rivers flowed through many of these cities, providing water, transport and sewage disposal. Other examples of deliberate street planning existed in cities during the Indus Valley civilization (in north-west India and Pakistan) where there was a grid pattern and a hierarchy of streets from major boulevards to residential alleys. There were also wells and drainage systems for sanitary and ritual purposes. Many old civilizations in Central America, such as the Aztecs, also planned their cities with sewage systems and running water. Early Chinese cities included rectilinear street systems, specialized functional quarters in different districts, commanding central sites for palaces and civic buildings, and advanced systems of fortification.

The origins of contemporary urban policy are more directly linked to the rapid growth of European cities during the nineteenth and early twentieth centuries. These soon became the largest human settlements in the world and therefore posed unprecedented challenges of physical coordination and social organization (Chandler and Fox, 1974; Hall and Tewdwr-Jones, 2011; Collier and Venables, 2014). Urbanization was closely linked with industrialization during this period, so there was strong demand for labour which attracted people from the poorer countryside. The spatial form of cities was shaped by the dominant mode of transportation at the time. Most people walked to work, so towns and cities had to be compact and residential densities had to be high to ensure accessibility. Households lived close together and occupied confined living spaces because this was all they could afford. Severe overcrowding coincided with air pollution and a lack of arrangements to provide clean water or to remove refuse and sewage. This created insanitary living conditions conducive to the spread of disease throughout the community. Water sources such as wells were polluted by sewage, and waste remained close to homes. Consequently, infant mortality rates were extremely high, life expectancy was low and periodic cholera epidemics had devastating effects on the population.

Over a period of decades, government legislation gradually resulted in the setting up of local municipalities with responsibilities to provide clean water, drainage, refuse collection and sanitation systems to improve public health and welfare. This infrastructure was very costly, so municipalities had to develop systems of tax collection (property rates) to generate revenues. Some were also responsible for improving the standards of construction of new buildings to reduce overcrowding and ensure essential services were available on site. In the United Kingdom, for example, the late nineteenth century was a period of considerable ambition and innovation in the delivery of public services and amenities as powerful city leaders emerged to tackle the disorder of the industrial city and the persistent threat of social unrest (Briggs, 1968; Hall, 1998; Hunt, 2004). The problems caused by rapid industrialization and urbanization induced technological advances in civil engineering and the design of the built environment – aqueducts to bring water from the countryside, water-borne sewerage systems, and minimum building standards to reduce densities and allow for air and light inside people's homes. In retrospect, there was an economic as well as a social rationale. Rising life expectancy, higher workforce productivity and greater economic prosperity were the outcomes of what was, on the whole, a virtuous circle linking urbanization with improved living conditions and all-round development.

Another powerful influence on urban policy has been land-use planning (Hall, 1988; Hall and Tewdwr-Jones, 2011). The origins of planning lie partly in a broad movement for urban reform that arose as a reaction against the hardship and squalid living environments of the working poor during the nineteenth century, along with the chaotic character of rapid urban growth. An important idea was to separate incompatible activities to protect residents from adjacent noxious uses and to make the structural arrangement of the city more efficient. There was a social as well as a physical dimension to the new thinking, influenced by a vision of harmonious communities living orderly lives that harked back to a traditional rural lifestyle (Hall, 1988). Planning was also a response to a tendency for cities to start spreading rapidly outwards from around 1870, linked with the introduction of cheap and

efficient public transport systems – horse trams and buses, then electric trams, motor buses and (in the biggest cities) commuter trains and subways. This had a profound effect on suburban expansion, reinforced by rising household incomes for white-collar workers who could borrow money to buy their own houses.

The introduction of formal urban planning systems in Britain, Germany, Sweden and several other European countries during the first few decades of the twentieth century provided tools to shape the urban form and character of property development that had not existed before. Under the influence of pioneers such as Ebenezer Howard, Patrick Geddes, Le Corbusier, Sigfried Giedion and the international Bauhaus design school, the ideas of land-use zoning, town expansion schemes, garden cities and master planning became highly influential and subsequently spread throughout the world. Their visions included prescribing density levels by limiting the height and breadth of buildings, separating land uses (particularly housing, industry and retail activities), prescribing patterns of traffic circulation and insisting on orderly urban growth (Hall, 1988, 1998).

Local government was given potent legal instruments to regulate the character of development within their areas in order to transform the urban environment, to protect open green space and to facilitate the free flow of traffic. One of the most important tools was land-use zoning to control the rights of property owners to develop their land. Some of these zoning schemes provoked disputes by requiring large single houses on large plots, thereby limiting the building of affordable homes for low-income households. The state assumed a directive role in prescribing the future layout of urban areas, based on a clear physical objective or desired end-state of what should be achieved. This was summed up as the "public good", even though affluent groups usually benefited more than the poor through higher property values. Urban planning was a linear, technical activity in which the spatial vision or physical design of the planner was most important (the "master plan"), and there was little scope to question the underlying values at stake (Hall, 1988).

Philadelphia, USA © **Flickr/Maciek Lulko**

This contrasts with contemporary ideas of planning as more of a continuous, iterative process relevant to places that are complex, inter-dependent and fast changing. Planning allows for uncertainty, unpredictable outcomes and learning from experience through monitoring and feedback. There are multiple objectives beyond physical aspects to include social, economic and environmental goals, and alternative ways of achieving them requiring political choices to be made based on explicit values. Diverse interests need to be accommodated beyond the objectives of professional planners and powerful interests. Planners may provide enabling frameworks and guidelines to help steer investment decisions, rather than rigid blueprints. Their neutrality and legitimacy cannot be taken for granted in the decision-making process, which therefore needs to be more transparent and inclusive of other actors and interests.

It is noteworthy that urban planning was originally a physical response to public health concerns, overcrowding and congestion, which chimes with some of the contemporary imperatives of urban policy in developing countries. Governments believed that improvements in the spatial organization and form of urban areas would reduce human suffering and help people to live longer and happier lives. There was an assumption that a comprehensive urban planning and orderly physical design would change human behaviour and promote social progress, a form of environmental determinism which is now treated with scepticism. Planning was also concerned with efficiency (good connectivity and functionally specialized districts), aesthetics (a neat and ordered built form) and modernization (slum removal, vertical buildings and open space) (Watson, 2009).

North American cities were also growing rapidly at this time, linked with industrialization and immigration. Philadelphia's rigid grid plan was particularly influential in urban thinking on that continent since it was the simplest way of dividing up a surveyed territory and establishing the physical footprint of a new city, with clear routes for all the infrastructure networks. It also helped land markets to develop by establishing standard-sized plots that could be bought and sold easily, and for predictable prices. The tradition of freestanding single-family houses in low density neighbourhoods also came from the United States, and was linked with rising car ownership. Other styles of housing were more popular elsewhere. Attached houses (terraces and semi-detached) were more common in Europe; courtyard-style dwellings dominated the Mediterranean region; and compounds of small houses fenced off from the street formed many African and Asian settlements.

Within a few decades of the turn of the twentieth century, urban planning became an unambiguous instrument of political power and social coercion in several European countries. The redevelopment of large parts of Berlin, Rome, Madrid and Moscow under various dictatorial regimes involved substantial demolition, evictions and physical restructuring by the state. Citizens had no rights to consultation or compensation, and their consent was not required when the state imposed a simpler, more orderly and efficient spatial pattern on older urban districts.

The origins of this muscular style of urban planning can be traced to Baron Haussmann's radical redevelopment of Paris in the 1860s and 1870s. By demolishing old tenement structures and replacing them with new apartment houses for a wealthier clientele, he displaced poor communities from central

areas and introduced straight arterial boulevards, long vistas, symmetrical squares and radiating roads. This enabled goods to be transported efficiently, military troops to be mobilized quickly, and created more space for commercial activity and new lifestyles (Harvey, 2008). The resulting urban form was widely emulated across the continent and the heavy-handed methods influenced re-development programmes in Europe and the United States for more than a century.[2] Under different circumstances of the Second World War, large-scale bombing of many European cities required extensive reconstruction and rebuilding afterwards, with urban planning again performing an important directive role. Modernist planning ideas were very influential, with an emphasis on high-rise structures separated by green spaces. This reflected the need for large-scale, inexpensive schemes and the desire to use new materials and technologies that could be replicated easily. The United States Federal Government subsidized the clearance of land in central cities and construction of monotonous publicly-owned housing projects for low-income groups. Public officials were generally isolated from public opinion and insensitive to the damage done to the social fabric of cities by wholesale demolition and reconstruction (Jacobs, 1961). Notions of cooperation, partnership and participation were not part of the planning lexicon during this era. Urban planning was often a rather brutal activity seeking to impose an inhuman orderliness and undifferentiated physical form on places that were interesting and dynamic (Jacobs, 1961).

The heyday of urban spatial planning was during the decades after the Second World War, when it was used as an instrument of growth control, urban management and balanced regional development (Hall, 1988; Hall and Tewdwr-Jones, 2011). In countries such as the United Kingdom and the United States, the war effort demonstrated the value of government coordination and direction of resources, and a sense of idealism and common purpose infused post-war reconstruction, during which economic and physical planning powers were strengthened. Green belts were introduced to limit the haphazard physical expansion of the main cities and to foster self-containment in terms of workplaces, residential areas and commuting patterns. Growth poles in the form of new towns with modern infrastructure were created to reduce densities in the inner cities, to capture overspill within planned developments, and to stimulate investment in lagging regions in the north of the country. The idea was to steer private investment and growing enterprises through a combination of state controls, new infrastructure and generous financial incentives. Substantial government investment in working class housing provided another tool for shaping urban development patterns directly rather than relying on the regulation of private developers. Far less consideration was given to the possibility of consolidating, intensifying and densifying development in the urban core, or to renewing, rehabilitating and upgrading the built environment of older urban areas. Such places were perceived to be congested, overcrowded and unpleasant, supposedly presenting the government with no alternative but to divert activity elsewhere.

Meanwhile in Scandinavia, Germany and France there was more emphasis on transport-oriented urban expansion, rather than tough green belt controls. Stockholm's finger plan, for example, envisaged

2 Similar methods of clearing poor communities in the interests of commercial redevelopment and up-market housing have also been used in recent decades in a range of developing countries (UN-Habitat, 2009; Watson, 2009).

the incremental physical growth of the city along major transport corridors radiating out from the centre. This had the benefit of enabling the natural expansion of urban areas and increasing the supply of housing, rather than having rigid restrictions which resulted in housing shortfalls, inflated house prices and leapfrog growth in countries such as the United Kingdom. Planned urban extensions were also more consistent with other sectoral policies that were popular in advanced economies at the time, particularly government tax relief and subsidies to encourage the growth of home-ownership and investment in the building of suburban freeways. These implicit urban policies greatly accelerated the decentralisation and de-concentration of cities, particularly in the United States, Canada and Australia. The lack of metropolitan-wide planning jurisdictions in the United States and Canada resulted in largely unplanned growth and urban sprawl. The design of outlying settlements in Sweden and Finland was often high quality and they accommodated mixed-income communities. However, in France, Italy, Spain and the United Kingdom, monotonous high-rise housing estates were built for poorer working class communities. These large peripheral estates proved unpopular within a decade or two and were increasingly allocated to immigrant groups with less choice about where to live. They became the source of considerable dissatisfaction and periodic outbreaks of social unrest and violent protests.

Growth management took a different form in several newly-independent developing countries. In Nigeria, Tanzania, Botswana, Malawi and Mauritania there was a major drive to launch new capital cities. These cities were built for symbolic reasons related to national pride and to make a decisive break from the colonial past, but at considerable public sector cost (Cain, 2014). It was also argued that shifting the locus of power from the coast to the interior would stimulate the economy of neglected regions. This was based on the concept of growth poles that was in vogue at the time, as noted above. The new urban centres ended up accommodating state administrative functions and had little or no economic impact on their surrounding regions. They generally turned out to be expensive mistakes that diverted investment from more valuable economic and social projects (Parnell and Simon, 2014).

Urban planning for the existing cities in developing countries was shaped by other concepts transferred from Europe by the colonial powers. New residential, administrative and commercial areas were often laid out according to Western principles of urban aesthetics, modernization, efficiency and separate land uses. The minimum standards of housing and the plot sizes were inappropriate given the widespread low incomes (UN-Habitat, 2009; Collier and Venables, 2014). The legal frameworks were also unsuitable for local conditions and institutional capabilities, since they assumed private ownership of the land, a large and stable formal economy, and a highly competent public sector to plan, implement and enforce official policies (Watson, 2009). Urban plans and zoning schemes were excessively detailed and prescriptive, poorly linked to infrastructure investment, and narrowly conceived in terms of controlling urban growth. The outcome was that highly segregated cities emerged, with extensive informal settlements growing rapidly in many areas. Most people lived in unplanned and unauthorized areas lacking even rudimentary services and tenure security. Living conditions were poor and households lived a precarious existence vulnerable to evictions and removals.

From the late 1960s in Europe and the United States, urban policy became more concerned with responding to social and environmental problems than with steering growth (Cochrane, 2007). Older manufacturing industries were beginning to decline because of intensified international competition, and unemployment was rising as a result. Factory closures were contributing to environmental decay and dereliction in the old industrial districts of many cities. Working class communities living in proximity were vulnerable to the job losses and experienced rising poverty, disaffection and ill health. There were outbreaks of protest activity and street riots in many European and United States cities as governments scaled back their commitment to full employment and households slipped through the safety net of the welfare state. Immigration from the former colonies contributed to a climate of racial tension and mistrust. In the United Kingdom, the Urban Programme was launched and the equivalent in the United States was called the War on Poverty. The focus was on marginalized neighbourhoods suffering from a series of linked social problems, including low income, poor educational attainment, sub-standard housing, ill-health, family breakdown, rising crime and low morale. Urban policy was treated as a special initiative, separate from mainstream policies and amounting to compensation for economic weakness and market failure. It was essentially a palliative designed to ameliorate poor housing and social conditions, rather than a catalyst for socio-economic transformation and development.

During the 1980s, there was another shift in NUP towards attracting private investment and supporting market forces. The economic origins of many urban problems were given more explicit attention, including de-industrialization and business decentralization to outlying towns. Deliberate efforts were made to lure investors, developers and other enterprises back to the cities through a range of financial incentives, simplified building regulations and streamlined planning procedures. Run-down buildings, contaminated industrial sites and crumbling infrastructure were renewed, rehabilitated and redeveloped to accommodate

Housing project in Berlin, Germany © **Wikipedia/Gyxmz**

new and additional business activity. In the United States, powerful partially autonomous urban renewal authorities and economic development agencies were created to manage the federal government funds committed to these areas. Although they were typically set up by the government and were ultimately accountable to the centre, many of them reported to an independent board of directors drawn mainly from the business community to benefit from their expertise. In some cases, public-private partnerships and development agreements were formed to lever in extra resources by giving the private sector more of a say in the planning and development of inner urban areas. Special deals were negotiated with private developers to secure investment in return for concessions of various kinds (Turok, 1992; Fainstein, 2001).

Another part of the new urban agenda was to attract households back to core city locations from the suburbs, especially the middle classes, professionals and managers. In many American cities, the idea was to reverse the "white flight" of people who had left in response to rising crime and social disorder.

One mechanism to achieve this was through the rehabilitation, upgrading and "gentrification" of old, attractive buildings in conveniently located districts. "Property-led regeneration" became the catchphrase, resulting over time in the physical renewal and transformation of many waterfront precincts and city centres into reinvigorated commercial centres and popular residential districts with converted warehouses and high quality amenities open around-the-clock for young professionals and creative workers (Turok, 2009). In some countries, local government was portrayed as part of the problem in hampering regeneration because of its slow decision-making, pro-poor policies, and inclination to interfere in commercial calculations. Consequently, it was sometimes by-passed by creating special "urban development corporations" that were directly accountable to national government (Turok, 1992). They usually had a narrow mandate focused on clearing and re-developing land, sometimes extended to preserving and reusing historic buildings. They were deliberately less concerned with public opinion and the immediate well-being of the local community, whose displacement was often an outcome of local regeneration.

Low income housing project in New York, USA **© Flickr/Axel Drainville**

3.3 Contemporary urban policy

It has been harder to detect a dominant approach to urban policy since the 1990s (Cochrane, 2007; Turok, 2009). Instead, there has been a proliferation of different models in different contexts, partly reflecting different goals and objectives, and different democratic cultures and traditions. There is no consensus about the purpose of urban policy or about the most appropriate tools and techniques. This has occurred alongside a reaction against the comprehensive ambitions of urban planning in the mid-twentieth century. Planners had sought to develop a rational-comprehensive approach to decision-making based on management science and operations research. With this approach, a universal scientific method could be created for analysing different scenarios for the interactions between land-use, transport and housing within cities, and then choosing the optimum solution based on specified goals. Contemporary planners are far more circumspect about their capability to control events and predict outcomes, and are more concerned with the social consequences of their decisions.

One of the themes that has characterized certain NUPs since the 1990s has been opposition to urban planning and support for the deregulation of property markets. This has stemmed from a belief that planning regulations interfere with the prerogative of private developers and obstruct the operation of market mechanisms, and are therefore counterproductive. This idea coincided with the widespread availability of cheap finance, linked with the deregulation of the banking sector in many countries. This enabled ambitious developers to expand rapidly by taking on larger and more risky projects. In some instances, city authorities were part of the problem, having traded planning permission and negotiated deals with private developers that contributed to an excessive supply of real estate. There was a counter-reaction in some countries as civil society organizations mobilized to resist redevelopment. In a quite different context, China supported the decentralization of state responsibilities to local government in order to stimulate local enterprise and innovation. This achieved remarkable results in terms of the development dynamic unleashed by a massive construction boom, including skyscraper office buildings, apartment blocks, business parks, shopping malls, hotels and airports, but also opposition from communities that were unceremoniously displaced in the process (Miller, 2012; McGranahan et al, 2014).

The physical result of deregulation in many countries was an unprecedented property boom during the 2000s as developers engaged in increasingly speculative projects for which the demand from occupiers was uncertain. This created the basis for an enormous property bubble as supply greatly exceeded demand. The retreat from urban planning resulted in many ill-conceived developments in poor locations, increased suburban sprawl, and countless "mega-projects" and "flagship schemes" designed to attract businesses and consumers away from established office districts and shopping precincts. The property sector established a prominent identity of its own, separate from the real economy. In countries such as Spain and Ireland, the resulting property bubble has been a major contributor to the wider economic crisis, causing many bankruptcies among property developers, financiers and landowners (Harvey, 2008).

Meanwhile, a second approach to urban policy has emerged in several parts of the world with a focus on economic competitiveness and innovation (Cochrane, 2007). There is greater recognition of the openness of urban economies and the need for stronger linkages with other cities at home and abroad. In a context of globalization, large, well-connected cities can operate as hubs in a global network of flows of information, goods, services, finance and people, with positive spill-over effects across the broader economy (McKinsey, 2014). Research and technology development are particularly important assets that help to differentiate city economies from each other, resulting in an emphasis on industrial specialization and the role of universities, including talent attraction and retention. Collaboration between higher education institutions and local firms is considered vital to supply appropriate skills and knowledge, and to ensure that their scientific research is relevant to business needs.

The latest expression of this approach is the idea of "smart specialization" (Foray, 2015). This describes the capacity of a region to diversify, modernize or transform its productive structure through the development of new competences and technologies. Smart specialization strategies promoted by the European Union are designed to encourage each region to identify transformation priorities that reflect and amplify existing local structures and competencies, and thus produce original and unique competitive advantages. City-regions are the appropriate functional geography for looking at urban policy through an economic lens. Therefore, cooperation between adjacent municipalities is important to gain economies of scale in particular technologies and competences, and to ensure consistent and complementary policies towards transport and other infrastructure, business support, place marketing and labour market programmes.

A football field in Moravia informal settlement, Medellín, Colombia **© UN-Habitat/A.Padrós**

A third approach to NUP has emerged in parts of Europe and the United States called "new urbanism" or "smart growth" (UN-Habitat 2013). One objective is to promote urban forms that are more sympathetic to the natural environment. Another is to create urban areas with a stronger sense of place and identity - a reaction to lightly regulated suburban sprawl, monotonous housing estates and commercial property developments, and the traditional separation of different land uses resulting in long commuting times and traffic congestion. New urbanism promotes more compact, higher density, mixed-use developments that bring home, work, shopping and entertainment into proximity, sometimes under the umbrella phrase of "sustainable urbanization". High quality public spaces are an important part of the package to compensate for higher density living with less private space and gardens. Public and non-motorized transport (walking and cycling) are also favoured over private cars. Transit-oriented development seeks to capitalize on the accessibility offered by mass transit to promote higher density housing around the stations. This kind of urban innovation may involve urban planners in close negotiations with developers over the rights to develop land and to contribute to the cost of public services instead of the traditional purely regulatory approach.

It is variously argued that a compact, integrated urban form facilitates (i) city prosperity (through the advantages of proximity between complementary activities); (ii) social inclusion (through better access to jobs and services); (iii) quality of life and social vitality (through liveability and access to public amenities); (iv) more affordable public services (through saving on the costs of bulk infrastructure); and (v) resilience to environmental hazards and human safety (through retrofitting older buildings and reducing damage to the ecological infrastructure). Cities that ignore these issues are arguably more vulnerable to congestion, natural disasters, inadequate basic services, strained municipal finances, and social and political conflict over land and housing. They can also get locked-in to fixed infrastructure networks that dictate inefficient patterns of land-use, carbon emissions, water and energy consumption, and wasteful use of other natural resources.

A fourth theme is concerned with tackling social exclusion within urban areas. It is summed up as the "right to the city", an idea first proposed by Henri Lefebvre. This approach has featured more strongly in the South than in the North, reflecting the greater importance of urbanization and higher incidence of political exclusion. It has also emerged as a reaction to previous state controls on rural-urban migration, large-scale "slum" clearance programmes and the displacement effects of commercial redevelopment schemes. The slogan has been promoted by social movements and other civil society organizations in countries such as Brazil and South Africa. The right to the city goes beyond people's ability to migrate to the city. Once in the city, it is their right to be recognized formally as citizens, to participate in key decisions affecting their futures, and to have access to urban resources such as housing and public services. It may also require that governments accept and try to upgrade (rather than condemn and try to eliminate) informal settlements and informal enterprises on the grounds that they lack the technical capabilities and resources to achieve formal standards of housing, public services and business regulation. David Harvey goes further in arguing that:

"The right to the city is far more than the individual liberty to access urban resources: it is a right to change ourselves by changing the city. It is, moreover, a common rather than an individual right since this transformation inevitably depends upon the exercise of a collective power to reshape the processes of urbanization" (Harvey, 2008, p.23).

Brazil has probably done more than any other country to make this real. Following the adoption of the 1988 Constitution, which included a chapter on urban policy, a ground-breaking law called the Statute of the City was introduced in 2001 to promote equity and access to urban land. It gave municipalities various instruments to institutionalize the right to the city. First, it sought to ensure that city management was more democratic by making land-use planning mandatory throughout each city and subjecting development decisions to social control and participation (previously planning was essentially an elitist activity and only selected parts of each city were subject to investment and service delivery by the municipalities). Second, it sought to ensure that the social function of urban land and buildings was put before their commercial value by removing part of the land from the market (previously public authorities had very little scope to intervene in the property sector through planning and urban management initiatives because of the long-held tradition of private property rights). Urban planning is now seen as a collaborative process of shared decision-making and negotiation among different interests, rather than a top-down, technocratic activity undertaken by government experts, private developers or commercial investors. Further details of the specific laws and policy instruments are provided in the sub-section on Brazil below.

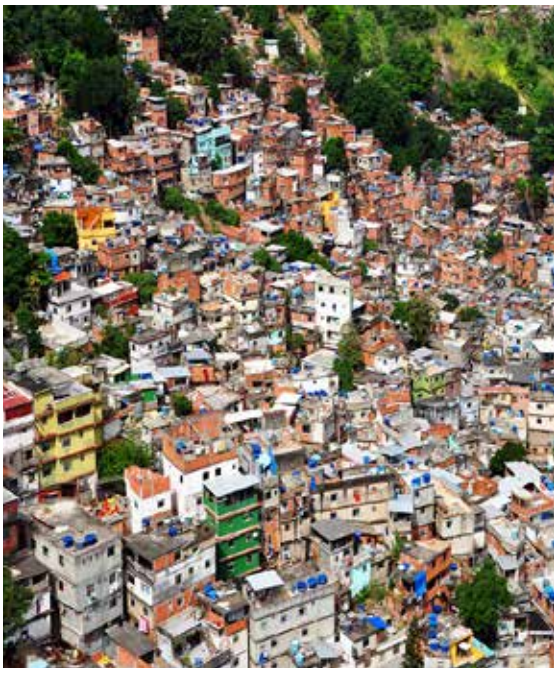
Paraisópolis (low income neighbourhood) and Morumbi (high income neighbourhood), São Paulo, Brazil **© Flickr/Fernando Stankuns**

To summarize this section, urban policy is a complex and contested activity with its own institutional dynamics and historical path. In some countries, policy has evolved along the following broad trajectory:

- simple reaction to urban growth pressures through the provision of essential public services and infrastructure, followed by
- efforts to control and steer growth elsewhere because of the costs of congestion and overcrowding, resulting in decay and relative decline,
- attempts to ameliorate the effects of decline and poverty through social and environmental programmes, which have laid the basis for
- renewal, reinvestment and regeneration, and a new cycle of urban growth and development.

NUPs have multiple and diverse origins. The idea of urban planning can be traced back over centuries to different parts of the world. The provision of municipal infrastructure following the industrial revolution was particularly influential. Policies had a strong physical emphasis and responded to public health problems in overcrowded, disorganized, fast-growing cities. Planning was a means of coordinating and steering development, although it became a means of social coercion and control. Planning proved most effective in conditions of post-war economic growth with substantial public and private investment that planners could steer to new locations. It was shaped by the principle of orderly development based on the separation of different uses and standardized (modernist) physical designs. There was an assumption that a comprehensively planned city would alter human behaviour and promote social progress (a form of environmental determinism), but there was little sensitivity to local differences and little democratic input.

In some countries, urban policy as such emerged as a response to economic decline and its social consequences, but it changed over time to active promotion of private investment and property-led regeneration. Disillusionment with land-use planning and local government gave private sector developers the upper hand and contributed to a powerful property boom and slump in recent years. Other approaches to urban policy have emerged during the last decade that recognize the importance of dense, diverse and liveable cities, and that give greater respect to established community dynamics and social vitality. They imply that local government performs an important function and that urban planning is a collaborative, participatory process as well as a technical activity. They also recognize that many countries lack the institutional capabilities and resources to attain formal standards in housing and the built environment, and that informality should be accepted and not eradicated. Consequently, there is no single dominant approach to NUP at present.



Rocinha slum in Rio de Janeiro, Brazil © **Wikipedia/chensiyuan**

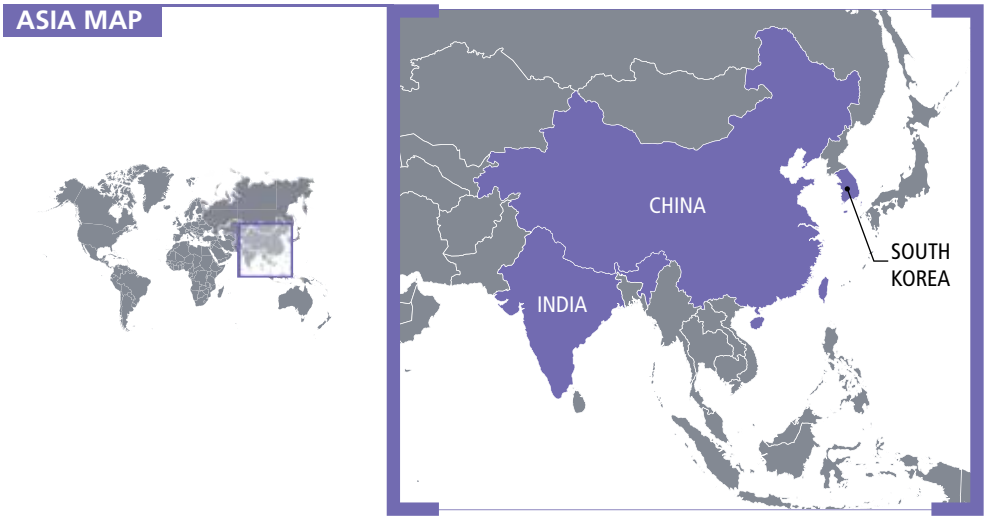
4

Urban policies in individual countries

Market in Zemio, Central African Republic © Flickr/Teseum

Governments are understandably wary of universal models of NUP with fixed assumptions about the underlying goals and procedures that should be followed. Instead, NUPs have evolved in different ways in different countries in response to changing social, economic, political and environmental circumstances. This is illustrated here with a variety of examples from around the world. Countries were included that had a particularly interesting experience of NUPs that might be of wider relevance. The emphasis was on low- and middle-income countries. The availability of suitable information in English was another important consideration. As far as possible, the following themes are discussed in each country, subject to the available evidence:

- how the rationale for NUP has shifted over time;
- the changing objectives and scope of NUP;
- the strength of national support;
- the capacity to implement the NUP and the main instruments used; and
- the relationship between national and local government.



There is a logic to the sequence of countries in the following discussion. The analysis starts with Asia, where there is the longest experience of NUP in the South, and then moves on to Latin America and then Africa, where there is least experience. Connections are also made between individual cases to strengthen the overall narrative.

Asia

South Korea

South Korea is a particularly interesting case having made the transition from a developing country with a relatively low level of Gross Domestic Product (GDP) per capita in 1960 and an unsophisticated economy, to a developed and highly resilient economy with a GDP about 20 times higher in 2010. Indeed, it has been one of the fastest-growing economies in the world, despite lacking natural resources and experiencing demographic constraints (an ageing workforce). Over the period 1960-2010, the level of urbanization increased from just 28 per cent to 83 per cent. According to the OECD, "Korea's economic development since the 1960s has gone hand in hand with fast and unprecedented urbanization" (2012, p.13; see also Park et al, 2011). Industrialization and urbanization have also been accompanied by dramatic improvements in education and other social outcomes. The share of adults with secondary education soared from 20 per cent in 1960 to 87 per cent in 2010.

Korea is now one of the most dense and urbanized countries in the world. Yet urbanization has been uneven and focused on a few large cities, namely Seoul, Busan, Daegeon, Incheon, Daegu, Gwangju and Ulsan. Three cities in the Capital Area are particularly important economically and demographically: Seoul, Incheon and Gyeonggi-do. Seoul alone generates half of Korea's GDP. Since 1990, the population of a group of medium-sized cities with strong manufacturing bases has also grown strongly. This has created considerable pressure on land and infrastructure through extensive physical development, and serious housing shortfalls.

Korea's NUP has evolved through three phases (OECD, 2012). The first involved explicit spatial concentration and sectoral focus because resource limitations prevented spreading investment more evenly across the country. The country's successful socio-economic development is attributable in large part to a concerted industrial modernization strategy

pursued by the government from the 1960s to the 1980s, geared largely to boosting exports. This was centred on a few growth poles, namely Seoul and several other large cities. These economic dynamos were driven by a propulsive sector (a leading industry with strong multipliers) deliberately targeted by the government in its five-year economic development plans. As a result, these places attracted substantial population and investment flows. One of the unintended consequences was to create severe shortages of housing, infrastructure and land for development (Park et al, 2011). The physical growth of these cities was also poorly planned and managed, resulting in fragmented and inefficient development patterns with inadequate amenities. Government legislation and public investment were poorly aligned, and technical capacity in implementing land-use regulation, zoning schemes, floor-space ratios, simple property transactions were slow to develop. Political decision-making was also predominantly short-term and reactive (Park et al, 2011). The sheer quantity of development was uppermost, and the state acquired or expropriated land for urban uses almost irrespective of location. Another consequence of the focus on industrial policy was the deliberate under-investment in housing for several decades until the late-1980s (Kim and Cho, 2010). Constrained supply and rising demand caused escalating house prices and speculation.

As a result of the enormous growth pressures and high infrastructure costs that accumulated during this period, in the 1980s and 1990s the government sought to de-concentrate jobs and people away from the Capital Area in pursuit of "balanced territorial development". Deliberate steps were taken to relocate public administration offices and branches of universities outside Seoul. Financial incentives were also offered for private firms to relocate, and new regulations and additional taxes were introduced to make it more difficult for firms to expand within Seoul. This was accompanied by substantial investment in national highway construction, along with a boom in house building. These measures were linked with efforts to decentralize and empower local government throughout the country in order to improve the economic dynamism and all-round performance of smaller cities and towns.

This policy was not successful at rebalancing the spatial economy (OECD, 2012). The dominance of the Capital Area continued despite the new controls because most firms were reluctant to move to where the agglomeration advantages were weaker. The efforts to strengthen local government also proved to be a slow process with uncertain benefits for economic development. Finally, the growth demands and inflated house prices in the Capital Area forced the government to respond by constructing five additional new cities around Seoul in order to relieve the housing shortages, accompanied by a massive increase in apartment building. This was highly controversial at the time because it tended to facilitate continuing population growth in the region, and fuelled further real estate speculation. It implied a tacit acceptance by the government of the unique economic role of the Capital Area (for Korea's position in the global economy) and the consequential need to support its continuing dynamism. The government's own housing programme was also accompanied by a policy to relax government controls on mortgage lending by financial institutions, so that more people could afford to buy their own homes. Both initiatives contributed to a dramatic increase in the supply of housing over a relatively short period (Kim and Cho, 2010).

During the 2000s, NUP shifted again towards trying to improve the quality of urban development, including liveability, amenities, safety and environmental quality. This was partly a response to the previous emphasis on quantitative economic growth and the resulting inferior character of the built environment in many urban areas. Improving the quality of the urban environment requires integrated planning and the full use of the various instruments and regulations available (Park et al, 2011). A second objective was to further strengthen the economic competitiveness (not sheer growth) of all the cities through technological upgrading, innovation and diversification into knowledge-intensive industries. This has included encouraging municipal cooperation across administrative boundaries within functional metropolitan regions in order to achieve greater economies of scale in industry, research and development and public infrastructure provision.

Since 2008, green growth has become a major focus of Korea's economic strategy in an effort to shift away from the historic focus on energy-intensive industries and mass consumption. Attitudes have been transformed from accepting the environmental degradation associated with heavy industries to actively promoting the green economy. The effectiveness of this agenda will depend a great deal on the contribution of cities to green growth through new technologies, energy efficiency measures, renewable energy, public transport, green buildings and higher density transit-oriented development. The OECD (2012) has generally applauded Korea's explicit NUP and encouraged the government to strengthen the role of cities in the green agenda. It has also pointed to the need to improve vertical and horizontal policy coordination within government, to enhance the capacity of local government, and to strengthen the link between policy-making and implementation within the field of urban development. This demonstrates the importance of seeing NUP as an ongoing process of incremental improvement rather than the attainment of a particular end state.

In summary, one of the main lessons emerging from Korea's experience is the importance of aligning territorial planning, urban policy, housing programmes and the provision of land for development. Inconsistent spatial priorities tend to undermine the effectiveness of each of these policies, and a failure to plan ahead produces inferior urban outcomes. Korea also demonstrates the substantial benefits that can be derived if urbanization is managed in a way that reinforces and contributes to economic development, with sufficient land and housing made available in the right places. A key conclusion is that economic concentration and focused infrastructure investment have paid handsome dividends in raising national prosperity.

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China

China's experience of urbanization and industrialization has been similar in several respects to Korea, although somewhat delayed and with a more compressed timescale. The country's explosive urban surge in the last 30 years is linked to its dramatic economic transition from an agrarian to an industrial society (OECD, 2013a; World Bank, 2014). A simple manifestation of how far the country has come is that the 17 largest cities comprise 11 per cent of China's population but 30 per cent of its GDP. They have also already reached "high income status" as defined by the World Bank and are comparable to some members of the OECD, unlike the rest of the country. Another illustration of China's remarkable transformation is the 500 million people who have been lifted out of poverty over the last three decades (World Bank, 2014). The government has played a key role in shaping this trajectory. Until the late 1970s, urbanization was resisted in favour of rural development. Urbanization accelerated after the economic reforms of 1978, when the fierce anti-urban policy was relaxed.

Over the following decade, the government pursued an increasingly effective combination of vision and pragmatism whereby particular locations and enterprises showing the greatest potential were given extra support (McGranahan et al, 2014). Special economic zones sited in undeveloped coastal regions offered big incentives to attract foreign investment and export-led industrialization. Obligatory linkages with local suppliers meant valuable spinoffs from the transfer of technology and managerial skills. These early achievements encouraged other territories in the south-east to be opened-up, and by the 1990s these billowing coastal cities were China's main economic engines. They were magnets for vast flows of domestic migration and investment, which depressed labour costs and fuelled the growth machine. Incomes have risen more rapidly in these cities than elsewhere as a result of higher productivity, strengthening further migration (Miller, 2012).

The government recognized, rewarded and sought to replicate success by steering resources to selected regions and by continually innovating institutions (McGranahan et al, 2014). Additional powers and responsibilities were devolved to local governments to incentivize economic development. Smaller municipalities were merged to create larger and more capable entities, and to give cities more control over surrounding land for development. The expropriation of agricultural land and its conversion to industrial and residential uses has been a key feature of China's urban growth engine. The uplift in land values and growing tax revenues from industry have financed urban infrastructure, facilitated catalytic construction schemes and helped city marketing efforts through flagship projects. Larger cities also have powers to issue bonds to fund new roads, water and other infrastructure. China's current five-year plan explicitly calls for more urbanization and supports the emergence of mega-cities. The theory of agglomeration economies is described as "the objective law of urban development".

"China's cities, with abundant labour, cheap land, good infrastructure, and competition among local governments to attract industry and investment, have created an environment that has been highly conducive to growth" (World Bank, 2014, p. xxiii).

The land conversion process has been highly controversial, contributing to inefficient land uses, road-oriented development and environmental degradation. It has also been a source of property speculation among developers, a black market in land, corruption in municipalities and much illegal construction. Ambiguous property rights have been manipulated to secure land from rural collectives and peasant farmers in order to sell it for development. National rules have encouraged this by enabling municipalities to retain most of the proceeds. The process has become so important to China's growth trajectory that central government has sought to gain greater control over it in order to boost or cool the economy as required. For example, a law was introduced in 1999 to slow down the rezoning of agricultural land for urban development. There has also been growing resistance from displaced farmers forced to make way for redevelopment, prompting efforts to strengthen their property rights (World Bank, 2014).

Nevertheless, rapid urban growth has been supported by fast-track regulatory procedures, an absence of public participation, and unprecedented levels of investment in infrastructure, real estate and other fixed capital. China spends about 50 per cent of its GDP on such investment, including roads, power generation, railways, dams, ports, telecoms, factories, office buildings and housing. This is the highest share ever recorded in the world (Turok, 2014a). During their great booms in the 1960s and 1970s, Japan and Korea never exceeded 40 per cent. External observers have warned of the risks of over-development and property bubbles. To date, the incessant demand from an expanding real economy and massive household growth have so far averted this. The World Bank recently warned that "Urbanization has relied excessively on land conversion and land financing, which is causing inefficient urban sprawl and, on occasion, ghost towns and wasteful real estate development" (2014, p. xxiii).

Although China's urban development machine has delivered impressive growth, certain groups have been excluded from the benefits. A household registration system (hukou) was introduced in the Mao era (1949-1976) to control urbanization. The permits have been eased to allow temporary migration, but vulnerable groups such as peasants do not enjoy the same rights to schools, health facilities and social services (OECD, 2013a; World Bank, 2014). The policy reduces the cost to municipalities while meeting industry's demand for cheap labour. Rising prices in the booming cities also make housing unaffordable for poor migrants. Some farmers have received flats in high-rise complexes to compensate for losing their land. Other migrant workers live in shared accommodation and hostels provided by their employers. Many migrants leave their families behind, which limits their children's education, health and overall life chances. Their second-class status means insecurity and lower disposable incomes than those with proper homes and social protection, and who spend more on consumer durables. Therefore, the hukou system hinders the rebalancing of the economy as well as being unfair and divisive. Reform is beginning to happen, but it is complicated because migrants might have to surrender land rights in their rural areas and give up the possibility of having a second child, which is prohibited in urban areas.

Another source of growing social inequality and associated with political tensions is the spatial disparity between cities in the coastal belt and inland regions. The government has recently extended the special support available to the coastal cities to the interior, and has begun to invest heavily in roads, high speed

railways and other connecting infrastructure in "logistics corridors". There are some signs of firms moving inland to access cheaper labour, but it is obviously too soon to say whether inland cities will be able to narrow the gap. Environmental concerns (including their impact on the nation's health and water security) have also moved up the political agenda, following decades of ecological damage and pollution to air and water courses from unrestrained industrialization, dirty energy generation and rising car ownership (OECD, 2013a; World Bank, 2014). Chinese cities tend to be reasonably compact in terms of many of their residential neighbourhoods, but vast industrial parks are an inefficient use of land, reflecting the frantic industrial development efforts of municipalities. Measures are being taken to reduce the carbon footprint and increase energy security, including major investment in renewable energy, public transport, green buildings and experimental green cities. Severe congestion in the big cities is another reason for the growing emphasis on urban subways and other public transport.

To sum up, China's NUP has been geared above all to fostering quantitative economic growth, with less concern for social equity and environmental sustainability. This is changing as the government seeks to rebalance the economy towards domestic consumption and particularly service industries. Consumer-driven growth will be led by the major cities and influenced by the extent to which migrant households gain greater security, become more integrated socially, and adjust from being savers to being spenders. This also implies a new approach to urban growth, based on creating more liveable and inclusive cities, which make more sustainable use of land and natural resources. The role of the government is likely to shift from supplanting market forces to facilitating more organic, higher quality growth through more flexible urban planning, improved public services and regulating market excesses in relation to land and environmental hazards. A clearer division of labour is also likely to emerge between the economic functions of different sized cities in different locations, depending on their costs and comparative advantages.

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India

India has a history of "slum" clearance programmes in its major cities that date back to colonial times (Kundu, 2014). The expressed purpose was to reduce the spread of infectious diseases and impact of social unrest. This was the preferred way of tackling overcrowded and insanitary neighbourhoods, with little compensation for the resettlement of displaced communities. Independence in 1947 brought important political changes. Urban populations were growing strongly, mainly through natural change, but the vast majority of India's population lived in impoverished rural areas, which remained the political priority. The provision of agricultural subsidies and support for improved farming practices gave some backing to rural areas and may have helped to slow the rate of out-migration. Meanwhile, urban municipalities lacked resources and were ill equipped to manage their growing populations, resulting in the steady expansion of "slums" (Chaplin, 2011). The continuing growth of low-income populations living at high densities without basic infrastructure and adequate housing remains an enduring problem in India (Nandi and Gamkhar, 2013). The urban population expanded by around 90 million between 2001 and 2011, and is expected to grow by another 250 million by 2030.

The period 1990-91 was a turning point for the country in some respects. National economic reforms were successful at attracting foreign investment, stimulating domestic consumption and accelerating economic growth to between 5 and 9 per cent a year over the following two decades. There has also been social progress for several hundred million Indians: the proportion of the population trapped in extreme poverty declined from 45 per cent in 1994 to 22 per cent in 2012 (Gupta et al, 2014). However, these statistics only include those living in the most abject conditions. Moreover, India's major cities did not feature in the country's economic recovery as much as one might have expected. Their poor performance stands in marked contrast to China's booming cities. An important World Bank study (2013) argues that India's metropolitan areas have experienced stagnation because of inadequate investment in infrastructure and poor land management policies that have pushed business out of the urban cores. Large factories, call centres and other office-based enterprises have been established beyond the municipal boundaries because of building height restrictions within the cities and special economic zones established in the peri-urban areas. The rapid growth of metropolitan suburbs is a source of serious economic inefficiency because of the congestion and high transport costs (for firms and workers) that result from this extensive form of urban growth (World Bank, 2013). It is one of several structural problems that undermine the potential productivity gains of agglomeration in India.

The same study argues that there would be substantial benefits for economic growth and household living conditions if building heights and residential densities were increased in the metropolitan cores. More intensive use of urban land to accommodate the expanding population would reduce the need to travel and make more efficient use of costly public infrastructure. This would contribute to improved living conditions as well as economic development. However, Indian cities lack effective land policies to enable integrated decisions to be made about urban (re)development, infrastructure investment and connectivity between settlements.

The country requires a robust system for valuing land and property, a clear definition of property rights, a transparent system to enable land to be redeveloped or converted from one use to another, and a strong judicial system to mediate controversies over land transactions and land use changes. Local government is generally weak in terms of capacity and resources, and progress in transferring power to municipalities has been very slow.

Some cities have grown more strongly than others in recent years, particularly Delhi, Mumbai and Kolkata, where a new middle class has also emerged (Chaplin, 2011; Nandi and Gamkhar, 2013; Kundu, 2014). This has fuelled the aspirations of these places to "global city" status, which in turn has influenced their urban planning policies (Dupont, 2011). Bangalore has been particularly successful at positioning itself within the global information technology (IT) industry, upgrading over time from call centres and back office work to higher value-added services, software programming, research and development. Migration patterns have been skewed towards these cities because of their real or perceived opportunities, thereby adding to the concentration of poverty and squalid living conditions (Kundu, 2014). Continuing restrictions on residential building densities have tended to push people out of the urban cores, along with firms (World Bank, 2013). The poorest residents have also been displaced by property redevelopment into outlying squatter settlements. Meanwhile, residents' associations formed by upper- and middle-income groups have succeeded in using participatory forms of local governance to pursue their own interests and oppose national slum upgrading programmes (see below). Public spending on slum improvement in modest in scale and exclusionary practices such as evictions have increased, partly to "cleanse" the cities and enhance their image among investors (Chaplin, 2011).

The chief concerns of residents' associations in middle- and upper-income areas are security, improved amenities and privatization of public spaces and shopping malls. They seek to sanitize their neighbourhoods by pressing the public authorities to remove encroachments, squatters and informal enterprises seen as threats to their health and safety (Fernandes, 2004; Kundu, 2011). The outcome is a more general anti-urbanization stance and exclusion of poor communities, reinforced by India's entrenched social stratification, and enduring infrastructure deficiencies. There is little apparent empathy for the needs of poor migrant families for better living conditions and livelihoods.

The problems are compounded by government policies that appear to give insufficient recognition to the development potential of urbanization. There have been many attempts to stem migration flows, both through overt urban restrictions and policies to skew economic support to rural regions. Some are indirect, such as inferior public services and inadequate police protection for migrants experiencing hostile attacks (McDuie-Ra, 2013). Recent national development plans acknowledge the economic significance of large cities, but they also criticize the concentrated pattern of growth and talk about promoting spatially-balanced urbanization through satellite towns, small towns and new townships. Nonetheless, India has never had a coherent territorial or urban development policy, despite the deterioration in city living conditions and the harmful social and environmental consequences.

India's first significant attempt to strengthen the capabilities of urban governments was a constitutional amendment made in 1992 that encouraged state (regional) governments to devolve a range of important functional responsibilities to municipalities, including land-use, economic development, water, roads and poverty alleviation. However, this occurred very unevenly in practice and was generally not accompanied by equivalent financial powers and resources, so local governments remained administratively and economically weak (Nandi and Gamkhar, 2013). Often it has been left to non-governmental organizations to work with the urban poor to improve their conditions. For example, the Self-Employed Women's Association (SEWA) is an impressive organization of poor women working in the informal economy that has existed for four decades. It provides a variety of services for these women and has grown to a considerable size. The Society for the Promotion of Area Resource Centres (SPARC) is another NGO working on housing and infrastructure issues in over 70 cities across India. It helps to organize the urban poor to come together, to articulate their concerns and to collectively produce solutions to their problems.

India's first major urban programme was launched in 2005, called the Jawaharlal Nehru National Urban Renewal Mission (JNNURM). It was wide-ranging in scope and intended to boost investment in infrastructure in 67 cities by USD 24 billion over a seven year period, subsequently extended by two years. Another objective was to increase the capacity of local government to engage in integrated urban planning, to improve project management and delivery of municipal services, and to increase accountability. This included a range of intended reforms to land and property regulation and management to improve the operation of the urban land market in order to facilitate land development and redevelopment. By 2012, roughly half of the budget had been spent, but progress on the various land and property reforms was patchy (World Bank, 2013). Changes in state and local laws and procedures were slow to be introduced, and weak technical and financial capacity in the municipalities remained a major challenge (Nandi and Gamkhar, 2013).

New Delhi, India © **Flickr/Loic Pinseel**

In 2013, the government launched an initiative called Rajiv Awas Yojana (RAY) that had more of a pro-poor emphasis. It is a 10-year programme specifically aimed at slum upgrading by providing people with property security, improved shelter and basic amenities. It was started in 10 cities and ultimately aims to improve the conditions of a million people. Municipal and state governments are expected to share the cost with national government. Both the RAY and JNNURM programmes are hindered by local capacity constraints and illustrate dilemmas about how government support should be distributed between different cities and towns (Chaplin, 2011; Kundu, 2014). The largest cities are best equipped to leverage additional public, private and global finance, but some people argue that supporting smaller cities would avoid growth being concentrated in a few mega-cities.

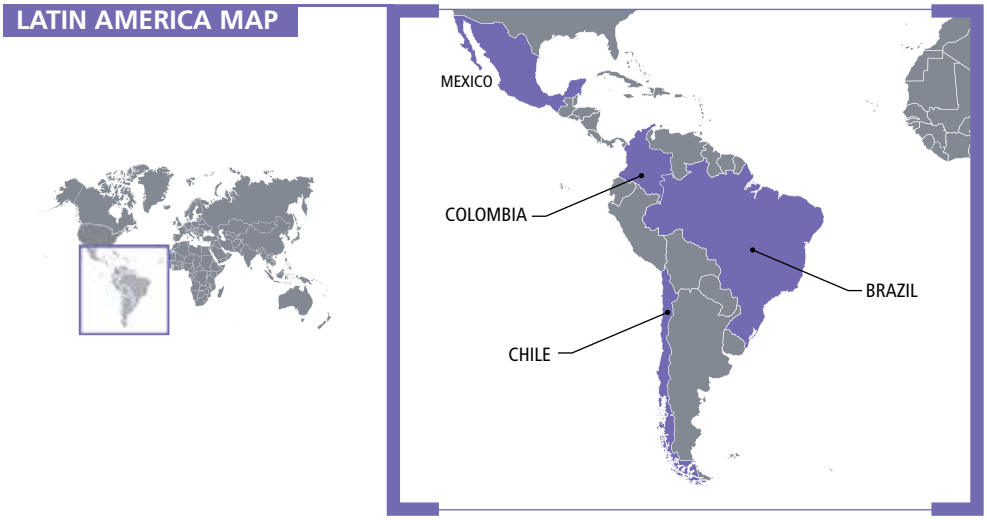
India's workforce could expand by at least 400 million by 2050, over and above the current 500 million. Agriculture and related activities currently provide a subsistence living to about 220 million. They cannot absorb the additional labour without further reducing incomes. It seems likely that India will have to undergo a major economic transition to secondary and tertiary industries, hand-in-hand with mass urbanization. The country's future prosperity and stability depends on how quickly and efficiently this occurs (Nandi and Gamkhar, 2013; Kundu, 2014; Gupta, 2014).

There is an argument that the largest cities have the most potential to lift people out of poverty because of their inherent economic advantages. This depends on investments in infrastructure and reshaping the urban form to promote efficiency through density and proximity.

Integrated urban planning linked with industrialization and the provision of affordable housing and public services could provide channels for social mobility, skills acquisition and consumer demand to help broaden India's economic dynamism. Some question whether urban elites have the appetite for bold policy reforms, and would accept large-scale migration from the countryside (Kundu, 2014). India's economy has shown the potential for growth, but its urban policies will influence whether this is sustained and diversified over time to benefit the many.

To sum up, India's government has embarked on a process of reform in economic policy, urban policy and public administration. The country faces formidable economic and population challenges, including the urbanization of poverty. It is too soon to say whether the recent policy changes go far or deep enough. Overall, it is clear that the cities will need to become far more productive, inclusive and effectively governed if they are to make a bigger contribution to national development in the future.

Mumbai, India © **Thamara Fortes**



Latin America

Colombia

Colombia is a highly urbanized (75-80 per cent), middle-income country, and has been gradually developing a NUP to match the scale of its urban challenges. A recent analysis argued that the relative inefficiency of Colombia's urban system was hindering the country's overall prosperity and its transition to a higher-income economy (Samad et al, 2012). Two particular problems arising from large-scale urbanization in recent decades have been poor land-use planning (it is too reactive) and inadequate investment in strategic infrastructure (World Bank, 2013a). As a result, the spatial organization of its cities is inefficient, resulting in serious traffic congestion, unauthorized settlements (comunas) built on steep unstable slopes, and poor drainage and flood protection.

These problems are exacerbated by the system of small municipalities with extensive responsibilities, which complicates metropolitan-wide planning and governance, and encourages duplication and competition (Samad et al, 2012). This is partly a consequence of the 1991 Constitution, which promoted decentralization of powers and resources to the local level. Bogota, for example, has seven separate municipalities with poor mechanisms for coordination of public services, land-use decisions and investment in regional transport networks, storm-water infrastructure and sewerage systems. In 2011, the government responded to concerns about municipal fragmentation with a legal framework for voluntary collaboration across local jurisdictions on regional planning and investment programmes. The problem seems to be less serious in the second largest city, Medellín, which emerged from a very violent period during the 1980s and 1990s to develop a strong international reputation for innovative social regeneration policies through creative public transport systems (such as cable cars), public spaces and high quality facilities in poor communities (Bateman et al, 2011; Turok, 2014c). Medellín has also benefited from an extended period of particularly strong cooperation between the three different spheres of government.

The government is seeking to diversify the economy from one based on commodity exports (such as oil, coal and coffee) towards a stronger manufacturing structure, and then to more knowledge-intensive service industries.

The shift to a more advanced economy will require the country's urban system to be more efficient, and its connections to external markets to be strengthened (Samad et al, 2012). Colombia's natural geography has been a persistent challenge in that its major cities are dispersed across mountainous terrain and are far from coastal ports. Freight has to travel long distances, which adds to the transport and logistics costs, and undermines competitiveness. Bogota is the main economic centre but is more than a day's drive from the coast, from where agricultural products, fossil fuels and raw materials are exported. Poor historic connectivity between Colombia's cities means that there is limited industrial specialization and complementarity between them. Evidence that this limits inter-city exchange and trade has recently encouraged the government to introduce the "System of Cities" national policy. This is geared above all to improving the transport connections between the cities, and between them and the coast. It includes road, rail and river transport. The government has also created a National Infrastructure Agency to promote investment in the logistics network, particularly airports, ports and toll roads.

Two successive national development plans have set clear priorities for urban development. These are reflected in the 2005 "Liveable Cities" Strategy, which focused on improving access to affordable land and housing, increasing water and sanitation services, and improving public transport (Samad et al, 2012). The strategy received a boost when the government responded to the global financial crisis with a major programme of public investment and subsidies to enable the construction of a million houses over a five-year period, starting in 2011. A Macroproyectos Urbanos Program was also launched in 2011 to facilitate access to low-income housing and land for poor communities.

The idea is to develop a commercially sustainable model for land and housing development that overcomes rigidities in the property market through a combination of public and private investment and reform of relevant regulations. The World Bank is providing finance and technical assistance. Additional reforms are underway to develop new and innovative ways to finance urban infrastructure, such as public-private partnerships. There is a national Ministry of Housing, City and Territory which is responsible for formulating, implementing, and orienting housing policy, urban planning, and water and sanitation services, particularly in the major cities. Colombia has also learnt from Brazil's Constitution and urban laws (see below), e.g. to facilitate more effective land readjustment and redevelopment. Special Zones of Social Interest (ZEIS) reduce the legal minimum plot size for houses and allow squatters to regularize their dwelling conditions with less threat of speculation and eviction.

Bogota, Colombia © **Flickr/David Berkowitz**

Chile

Chile's experience of urbanization and development has been similar in some respects. The level of urbanization is high (77 per cent) and reasonable economic success and improvements in income have been achieved despite the lack of an integrated urban policy or other territorial development strategy (Ministry of Housing and Urban Development (MHUD), 2014). Key government departments have strong technical capabilities and a capable civil service, but they tend to operate in silos with no effective mechanisms to coordinate their activities (OECD, 2013b). Instead, there has been a variety of discrete sectoral policies for housing, transport, land-use planning, the environment and economic development. Each of these policies is reasonably sound on its own terms, although they have evolved separately over time with little attention paid to the relationships between them. Consequently, their limitations for guiding and managing urbanization have become increasingly apparent (see below).

In addition, Chile's system of regional and local land-use planning dates back to the 1960s and is rather cumbersome, bureaucratic and control-oriented (OECD, 2013b). It is poorly adapted to the current dynamic realities of urbanization, so most plans are very out of date and therefore largely irrelevant to the task of regulating and guiding physical development and building activity in the cities and towns. The zoning system is also inflexible and does not encourage higher density, compact development. Building on the urban periphery is much simpler than infill and brownfield development, and there are insufficient controls to prevent building on environmentally sensitive sites exposed to natural hazards such as flooding, landslides, forest fires and earthquakes.

For all these reasons, the process of urban development has not been coherent and there have been many negative externalities as a result (OECD, 2013b). Growth has been heavily concentrated in the capital, Santiago, which now accounts for about 50 per cent of Chile's GDP. All the other cities appear to have under-performed economically in recent decades, partly through government neglect. It is probably no coincidence that all of Chile's cities are marked by high levels of social inequality and uneven access to public services, housing and decent living environments. "The most significant (problem) is urban social segregation, arising from decades of an approach to reducing the housing deficit that focused on the quantitative dimension without paying attention to location or the accessibility of a minimum level of urban public goods" (MHUD, 2014, p.9). Infrastructure capacity is also inadequate and environmental pollution is increasing. It is not uncommon for social housing to be built on the urban periphery without supporting infrastructure and services, and far from jobs and public transport networks. These problems "stem from the inconsistencies that arise when policies with urban impact – e.g. land use, housing, public transport and environmental management – are designed and implemented independently of one another" (OECD, 2013b, p.13).

A related weakness has been the limited role played by local and regional governments in urban planning and development because of the centralized nature of policy-making in Chile. Sub-national governments lack autonomy and resources, which makes it very difficult for them to respond in a meaningful and effective manner to city-level challenges and opportunities through, for example, investment in appropriate infrastructure and the built environment.

Administrative and institutional fragmentation means that there is little strategic capacity or coherence in the overall management of metropolitan areas. Consequently, the economic competitiveness of cities has suffered, connectivity is limited, congestion has increased, heritage assets are poorly conserved, insufficient value is placed on the identity of different places, and there are few quality public spaces (MHUD, 2014).

Chile has one of the oldest subsidy programmes for low income housing, leveraging private savings and financial resources from private banks. Nevertheless, the segregation of housing developments incurred degradation at physical and social levels, inducing the launch in 2008 of a programme for neighbourhood improvement and the earmarking of 256 priority areas (MHUD, 2014). This was a major development in terms of directing investments towards urban integration.

In 2012, President Michelle Bachelet established an advisory body to formulate a proposal for an urban policy to guide the future development of Chile's cities and towns. This launched a technical and consultative process culminating in the promulgation of a National Urban Development Policy for Chile early in 2014 (MHUD, 2014). The process was important in building broad support for an urban policy among politicians, officials, academics, professionals, investors and citizens in different regions. The policy recognized the need for a long-term perspective because of the ambitious goals of urban transformation required in Chile. The policy stated that the fundamental challenge was to shift popular perceptions of cities as "agglomerations of private construction" towards recognizing their value as collective expressions of society and their role in providing public goods.

Shanghai, China **© Flickr/setiadi**

The overarching goal of the new policy was to improve the quality of life in cities by combining and balancing the principles of social integration, environmental protection and economic development. It supported the decentralization of responsibilities to bring decisions closer to the people and to strengthen civic participation. It also provided a framework to rationalize the responsibilities of different parts of government in order to avoid inconsistent and contradictory actions (MHUD, 2014). The new policy clearly recognized the high level of inequalities in Chilean cities, with their high levels of poverty concentration, despite decades of low-income housing, massive production and the significant decrease of the housing backlog in the last 20 years. The most important aspects were (i) the creation of a Ministry of Cities, Housing and Territorial Development with a Policy Advisory Council, (ii) the introduction of social interest zoning, envisaging the future housing needs and the idea of integration and mix of uses, and (iii) the creation of an autonomous metropolitan authority. The policy did not go into detail on any particular issue, rather it set out the objectives and guiding principles for policy and institutional reforms. It also provided guidance for subsequent policy action and initiatives. For example, it set out many of the steps to be followed to reduce existing social segregation in cities and to prevent further segregation in new housing developments. In short, it provided the basis for a wide range of follow-up policy measures and actions that should be pursued in the years ahead.

From a broader regional perspective, the policy ratified a trend towards more quality of urbanisation outcomes in Latin America that could be observed in Brazil, Mexico and Colombia, and recognized the urgent need for urban integration through more progressive, inclusionary land mechanisms and strong institutions, and for a shift in terms of low income housing production and upgrading towards a more sustainable and integrated approach that would strengthen the social, economic, physical and environmental connections with the city as a whole.

The OECD (2013b) recommended measures to strengthen vertical and horizontal policy coordination and active programmes to bolster the capacity of local government and other city-level institutions. The government, despite the political changes, has tried to react with innovations such as the neighbourhood improvement programme and the recently approved National Urban Development Policy.

Temuco, Chile © **Flickr/Terra Chillán**

Mexico

Mexico is generally weaker institutionally than Chile, but it is slightly further ahead with its NUP, at least in terms of having a formal policy in place. There are 384 cities in the country, 59 of which are defined as a metropolis. Poorly controlled sprawl is a major problem, along with large tracts of vacant land within the cities. The sprawl consists of extensive dormitory settlements and "new towns" made up of rather poor quality private housing. Some seven million houses have been built in such areas in recent years. Rising transport costs have resulted in the abandonment of many houses as people could not afford to keep paying their bonds, while commuting costs were rising.

Some of the challenges to more coherent urban planning and development include: (i) outdated legislation; (ii) inflexible and inappropriate institutions (such as subsidies to encourage suburban housing developments); (iii) the lack of an integrated vision of urban development; (iv) uncertainty hindering private investment; and (v) weak local governments with short time horizons (there are 2,400 municipalities and mayors are elected every three years).

One of the goals of the 2013 National Development Plan was "sustainable and intelligent urban development". It sought to introduce a new urban paradigm based on the following principles: more compact and connected cities, more diverse housing with rental tenure, effective land use policies, risk prevention and regional development. Extensive national consultation was held on the theme of building a shared vision of sustainable urban development.

Mexico City, Mexico **© Flickr/Threthny**

Implementing the new urban policy will be extremely difficult because of major institutional shortcomings, especially at local government level. There is a great deal to be done in terms of modernizing legislation, changing norms and standards of development, strengthening instruments of territorial planning, establishing GIS systems to monitor land-use changes, communicating the new policy and getting civil society to accept the new urban agenda. Above all, the new policy requires a new institutional structure to align policies and enforce the new agenda in the face of opposition and resistance.

According to senior officials, the government is not contemplating decentralization to local government at present because the municipalities are perceived to be weak and unreliable. Against all this, there have already been some successes with the new policy. For example, the federal housing subsidies were altered from an indiscriminate approach to a more spatially sensitive approach focused on consolidating residential areas within the urban fabric to stop sprawling development on the periphery. A national housing programme, called Integrated Sustainable Urban Development (DUIS), was also introduced in the late 2000s to expand the supply of low-income housing in forms that are less environmentally damaging, more resource efficient and less socially exclusive.

Guadalajara, Mexico © **Flickr/Carlos Rivera**

Brazil

Brazil has been a pioneer of NUP in many respects (Fernandes, 2011; Martine and McGranahan, 2014). Unusual among federal systems of government, there is strong national recognition of the importance of cities and this positive vision and commitment has been sustained for over two decades. It has helped the country to gain an international reputation for innovation in urban design, planning and governance since the advent of democracy in 1985. A new approach towards cities was signposted by a chapter on urban policy written into the new Constitution of 1988 (Fernandes, 2011). The urban agenda follows many years of popular struggle driven by strong social movements and professionals working for municipalities and universities in housing, planning, architecture, engineering and law. The Constitution also includes the right to housing.

Previous political regimes consistently tried to resist urbanization (Martine and McGranahan, 2014). Their failure to prepare contributed to severe transport congestion and the infamous favelas that cover the hillsides with overcrowded, unplanned and unsafe settlements. Intense poverty and environmental hazards persist for these communities, despite sustained economic growth. Brazil urbanized earlier than many other countries in the South (particularly between 1940 and 1980) and has continued since then, albeit at a slower rate. The number of towns and cities with over 20,000 residents grew from 59 in 1940 to 867 in 2010. This coincided with growing concentration in larger cities. Between 2000 and 2010, one-million-plus cities accounted for 54 per cent of urban population growth. This is now slowing down, for three reasons: fertility decline, economic difficulties, and industrial dispersal from São Paulo towards less-congested regions.

Brazil's urbanization occurred despite the opposition of most political regimes. It was resisted because of the administrative, social and environmental problems it was thought to create, but denial simply worsened conditions. The negativity peaked during the most rapid urbanization period between 1950 and 1980. Yet it was fuelled by the state's own industrial and agricultural policies. During the 1960s, explicit measures were taken to stem the process, ranging from roadblocks to fiscal incentives. Regional planning initiatives tried to reduce migratory pressures by stimulating activity in outlying regions. When migration continued, the government tried to curb urban growth by restricting or removing the unplanned slums, or depriving them of basic services. The transfer of the national capital from Rio de Janeiro to a new location in the interior, Brasilia, in 1960 was also part of an attempt to counter the growth of the south-eastern corridor. With its modernist architecture on a grand scale, it is widely regarded as one of the most utopian cities ever built by a dictatorship, but at enormous cost to society and with a legacy of social exclusion.

Failure to prepare for population growth in the established cities damaged their ability to expand in a sensible, rational manner. It was particularly harmful for the poor majority who had to fend for themselves in tight housing markets with scarce land available. They were forced to build makeshift shelters wherever they could on steep slopes, areas prone to flooding and other precarious locations. Some informal settlements were reasonably central but many were on the city outskirts with little prospect of securing public services. Environmental and social problems have accumulated and dwellings have been consolidated, leaving a complicated legacy to be addressed through a mixture of upgrading, renewal and redevelopment.

Since 1985, the government has emphasized participation and decentralization. Problems are to be resolved through dialogue rather than diktat. Urban reform has moved up the political agenda and is central to making democracy real and reducing inequality. A 2001 law called the Statute of the City established the foundations and was followed by the creation of a Ministry of Cities in 2003 (Fernandes, 2011). Bottom-up urban planning and participatory decision-making are encouraged through various kinds of public forums. Landowners and other powerful groups have to defend their interests in public rather than behind closed doors, and municipalities have to balance different considerations more carefully in regulating development. Meanwhile, legal reforms have given low-income citizens greater rights to the property they occupy, which will improve their security and assets.

An important principle underlying Brazil's reform has been to recognize the social function of property, in contrast to the rights of individual owners to do what they want with their property. Public authorities now have greater power to regulate individual interests and balance these with collective interests when deciding on the most appropriate use of urban land. They have a variety of legal and financial instruments at their disposal to help ensure that the public interest is promoted. These include: (i) a new approach to master planning which includes public participation; (ii) social interest zoning (to formalize and protect the land occupied by poor communities); (iii) land regularization tools to give households in informal settlements more security, (iv) progressive property taxes for under-used land, (v) selling of building rights certificates; (vi) integrated urban operations; and (vii) land value capture mechanisms.

Morro do Alemão cable cars, Rio de Janeiro, Brazil © **Flickr/Clément Jacquard**

There is also an emphasis on upgrading informal settlements and improving household security and well-being through a dedicated investment programme. The Ministry of Cities was charged with designing and implementing a national policy to upgrade informal and precarious settlements in conjunction with state and municipal governments, which are responsible for its execution. The Growth Acceleration Programme (PAC) was launched in 2007, with one of its main elements being to promote holistic urban upgrading in Brazilian slums, such as sewerage and water networks, urban mobility, roads, earth movement, relocation from risk areas, public service facilities, such as day care, schools, health units, leisure and cultural areas. These are aided by a strong social component of preparation, post occupation, access to economic opportunities, community strengthening and environmental awareness. The PAC was extended in 2010 for four years to continue the efforts of the first phase, in recognition of the scale of the challenges faced (Ministry of Cities, 2012). It recognizes progress at municipal level in Brazil and offers a wide grants umbrella for applications that are diverse, aiming to meet specific local needs and opportunities. Its reach today is to approximately 2.5 million families with investments of around USD 20 billion, representing one of the major international slum upgrading programmes.

A separate housing programme was introduced in 2009, called Minha Casa Minha Vida (My House, My Life), based on the provision of cheap loans to house builders and households wanting to buy their own homes. It was prompted by a desire to revitalize the construction industry after the slump. Despite difficulties related to urban integration, which occur in almost all countries, it aims to address the large housing backlog in the country. It has been constantly reviewed in order to avoid the spread of large-scale, low-income housing developments and a repeat of bad past experiences with mass housing in the country . The initial target was to build a million additional homes aimed at low- and middle-income groups, rather than an exclusive focus on low-cost housing. Currently, the target is 3.4 million houses with a total investment of USD 90 billion, (approximately 40 per cent subsidies).

Participatory budgeting is another feature of democratic urban management. Civil society is directly involved in defining priorities for municipal spending in more than 200 cities. Porto Alegre is the most famous, following the election of a mayor from the Workers' Party in 1989 (who later became the first Minister of Cities). Part of the municipal budget is for local negotiation with social movements and citizens. They discuss local needs and priorities in 16 districts every year. Decentralization has also fostered greater creativity and experimentation in urban design. For example, imaginative new affordable housing is being built in the large Heliopolis favela of São Paulo, along with new public spaces and schools to transform the area.

A broader culture of institutional learning and capacity building is being established by sustained state support for independent bodies such as the Brazilian Institute of Municipal Administration (IBAM) and the Curitiba Institute of Urban Planning and Research, among many others. The Ministry of Cities is also tasked with strengthening municipal capabilities and a National Council of Cities engages diverse stakeholders in discussing national urban policy.

Of course, Brazil's urban problems remain formidable; progressive laws are only the beginning and real change is only possible through massive investments and strong planning capacity. Democratic efficacy depends on an organized civil society and informed citizens, which are emerging slowly given the legacy. The capacity of different groups to advocate their interests is very variable, as in India. Historic backlogs in urban infrastructure and housing are very costly to address. The government has been criticized for providing excessive support for national champions and insufficient investment in transport and other economic and social infrastructure.

In summary, state-sponsored industrialization in Brazil drove a long-term process of urbanization. Persistent efforts to resist urban population growth made little difference, except to create an exclusionary form of urbanization. Poor communities were forced to occupy precarious locations and live in cramped conditions without public services. Belated efforts to manage urban growth more strategically and redesign the built environment on more inclusionary principles are inevitably more complicated and costly, implying that social and environmental problems will probably persist for several decades to come. Since the 1990s, urban planning has been taken much more seriously, and this is reflected in a range of important social, environmental, legal, transport and design innovations. The progress since 2001 with the City Statute and later on the creation of the Ministry of Cities is significant, but is only possible due recent social mobility and the strengthening of local governments' institutional and planning capacity. The impact and effectiveness of these deserve to be monitored closely by the international community, since there is much to learn from this experience.

Public housing new design in Heliópolis, São Paulo, Brazil © **Flickr/Diego BIS**

Oceania

Australia

Australia is another federal system, comprising six states and two special territories. It is one of the most urbanized countries in the world and average incomes are high. Throughout most of the country's history, the national government avoided having an explicit vision or integrated policy towards cities, except to fund road and rail connections between the cities. This is partly because the main responsibilities for urban planning and development lie with states and municipalities, and the Constitution protects their sovereignty. This arrangement is problematic because most of the big cities are administered by multiple municipalities and there is typically little agreement between the state and local municipalities on urban planning issues. Fragmented city governance structures, persistent political differences and short political cycles mean a lack of continuity for key decisions affecting the long-term performance and prospects of cities (Australian Government, 2011; Albanese, 2013; Kelly, 2013).

There are three minor exceptions to the historic lack of an NUP, which were essentially sectoral programmes with an urban emphasis (Burton and Dodson, 2014).

First, the government funded a major expansion of urban housing between the 1940s and 1960s to address housing shortages and affordability problems. The initial focus was on government rental housing but this soon shifted to supporting owner occupation in the suburbs. This coincided with a rapid increase in car ownership, which made people much more mobile. One of the negative consequences was extensive suburban sprawl, which stretched the capacity of municipal infrastructure (especially sewerage systems) and raised concerns about the social isolation of non-working spouses from amenities and their general access to centrally-located jobs. Australia's sprawl differs from that of the United States in that it is continuous and highly regulated, whereas sprawl in the United States is often fragmented, dispersed and lightly regulated. This poses different challenges for urban policy.

Second, the government introduced a programme in 1972 with two specific objectives: (i) to alleviate concentrations of poverty within the cities by expanding public housing and (ii) to try and steer settlement growth into new regional centres to alleviate growth pressures and congestion in exiting cities. However, a change of government in 1975 led

to the programme being abandoned before it was well established. The third initiative was the Building Better Cities programme implemented between 1991 and 1996. This sought to increase investment in urban infrastructure (both the inner areas and the suburbs) to improve the efficiency, competitiveness and sustainability of cities. But once again, a national political shift led to the programme being abandoned prematurely.

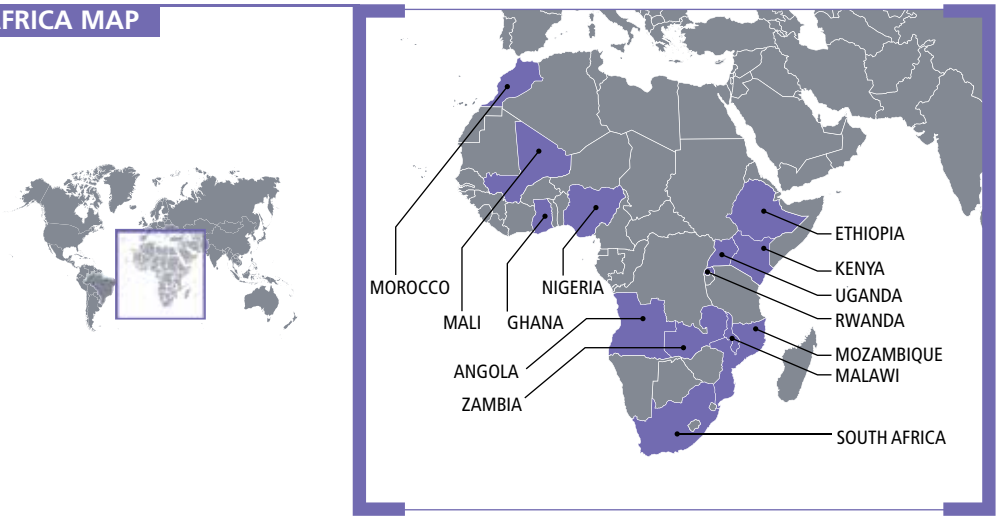
Australia's first broad-based NUP was approved in 2011 following a period of extensive research and consultation. It was a response to a series of looming challenges in the major cities, including the escalating cost of housing, rising fuel costs, urban sprawl and its impact on infrastructure networks, transport systems, road congestion, uneven access to job opportunities and the natural environment (Australian Government, 2011). National government involvement was vital because of the limited fiscal capacity of the states and local government. The NUP also sought to address the broader issues of managing the big cities better, improving their contribution to national economic performance, and reducing their carbon emissions. It had four pillars - productivity, sustainability, liveability and governance.

A novel feature of the NUP was the clear rationale established for the national government to get directly involved in a way that went well beyond that of a single, stand-alone department or spending programme, as in the previous urban initiatives. Coordination went to the heart of the NUP in order to ensure a wide-ranging, sustained impact on mainstream government policy, in particular to ensure that urban infrastructure considerations became a more important feature of the government's agenda. This was achieved by setting up an elaborate architecture for institutional alignment across key departments and agencies, including special committees and reporting arrangements. The NUP also made a strong case for an integrated urban management approach to cities from the top down and the bottom up.

The NUP soon began to have an impact on selected project decisions. The biggest effect was probably on public transport infrastructure projects, such as the Gold Coast Rapid Transit light rail, the Regional Rail Link in Victoria, the Moreton Bay Rail Link and Perth's City Link. They might not otherwise have proceeded. Set against this was a concern that the oversight arrangements were too elaborate and cumbersome to get real traction with metropolitan-level decisions about planning and development (Burton and Dodson, 2014). In addition, a change in national government in 2012 resulted in a loss of momentum and impetus to press forward with the institutional arrangements. Some observers fear that a regional development agenda will begin to replace urban policy objectives.

Gold Coast light rail tram, Australia © **Flickr/Simon Morris**

AFRICA MAP



Africa

Morocco

Morocco is a middle-income country without the same level of resources to invest in urban improvements as Australia, but it has managed to sustain political support for an urban programme for longer. This is partly because it is a kingdom, which provides a source of stability and continuity alongside the democratically elected government. It is also centralized in terms of the responsibilities of different tiers of government, so national policies are vital. Under the Constitution, the king appoints the prime minister from the majority political party. Under this system, the government has maintained a high level of commitment to improve informal urban settlements for more than a decade. A million people have benefited over this period from a policy lauded by UN-Habitat as "one of the world's most successful and comprehensive slum reduction and improvement programmes" (quoted in Hertzog et al, 2013, p.13).

These informal settlements emerged as a result of the rate of urbanization outpacing the growth in urban employment and housing over the last four or five decades. The cities were unable to absorb the rural population displaced by agricultural decline.

By 1990, more than a third (37 per cent) of the country's population lived in urban "slums", which were officially regarded as dangerous and undesirable. Lack of political will inhibited the production of low-cost housing and serviced land to improve conditions. Instead, the government's main method of dealing with informal settlements was through slum clearance/eradication and forced resettlement on the distant urban periphery, which was far from jobs, schools and other amenities, and which eroded the social fabric of these communities. Poor people had no rights to the city and the slums were treated as a kind of sickness or pathology, despite the fact that many people had lived in these areas satisfactorily for decades.

During the 1980s and 1990s, there was considerable social unrest and political conflict in Moroccan cities because of these harsh and authoritarian conditions. During the late 1990s, the ageing king reached an agreement with the main political parties to stop the forced evictions and to start a process of settlement upgrading and improvements in urban infrastructure. Over the next few years, a stronger social consensus was built through dialogue with the political parties, business sector, trade unions and other parts of civil society.

The new king who came to power in 2000 became steadily more enlightened and progressive.

The year 2001 was a turning point in which "decent housing" was declared a national priority and a three-year programme was launched to improve and integrate slums into the urban fabric, partly through resettling people in new housing wherever land was available. Over this period, there was a steady building up of technical capacity, policy instruments and funding to enable implementation. A novel and secure way of funding urban development was the introduction in 2001 of a tax on cement to fund social housing programmes. It was subsequently extended to all building materials to fund other aspects of urban renewal.

In 2004, this initiative was scaled up with international support into a major new scheme to combat urban poverty, called the "Cities Without Slums" programme (Villes Sans Bidonvilles). The programme targeted 250 neighbourhoods for upgrading in 25 cities with high levels of unemployment, poor housing and a lack of basic services. The national framework was adapted to local contexts through city-level consultation and the participation of local stakeholders. As a result of such efforts, the number of households living in slums in Morocco has been reduced by between two-thirds and three-quarters over the last two decades, and 43 cities were declared slum-free by 2011 (Hertzog et al, 2013; UN-Habitat, 2014). Observers believe that this was a key factor in insulating Moroccan cities from the uprisings in many Arab countries in 2010 (UN-Habitat, 2014).

Key instruments of the new policy included subsidies to private developers to provide affordable housing; making public land available for development; streamlining the planning system, and signing contracts with city authorities to implement the policy effectively. Altogether, between 100,000-150,000 affordable housing units have been built each year. The main difficulties faced have been (i) the resource constraints on government, (ii) the sheer scale of need for improved housing, especially from households with very low incomes, and (iii) the shortage of well-located land, which has required development in more marginal locations. Some households have remained in situ, especially in Casablanca and Rabat, but most communities have been relocated, raising concerns about the consequences for their cohesion and access to opportunities. There has been less emphasis on in situ upgrading and development than there probably should have been. Cooperation between different parts of government has also been strained at times, and the limited capacity of the municipalities means that the process of decentralizing responsibilities to them has been slow.

Housing units in Rabat, Morocco © **UN-Habitat**

Ethiopia

The Ethiopian Government understands and accepts the positive arguments for an NUP, and has made steady progress on this over a short period. The current level of urbanization is only 17 per cent, although 55 per cent of GDP is generated in urban areas and the urban economy is growing very strongly. Consequently, the urban population is growing at approximately 3.6 per cent per annum and another 42 million people are expected to reside in urban areas by 2050 (UN-Habitat, 2014). This is one of the largest absolute increases in Africa and makes it vital to prepare for large-scale urban population growth. In addition, 79 per cent of the population live in "slums" (UN-Habitat, 2014) so there is a pressing need to upgrade urban conditions. Addis Ababa dominates Ethiopia's urban system with a population of about three million. All other cities are much smaller.

The Federal Democratic Republic of Ethiopia was established in 1991 following the fall of the militaristic Derg regime that was backed by the Soviet Union and had come to power by overthrowing Haile Selassie in 1974. Since 1991, the government has pursued a relatively centralized state-led development model, with restrictions on foreign investment and complete state ownership of the land. Ethiopia also has a relatively autonomous regional sphere of government (reflecting ethnic differences), and during the 1990s went through a process of devolution of powers and functions to local government, especially in Addis Ababa and Dire Dawa. Both cities have been elevated to a similar level of authority as the nine Ethiopian states, with powers over service delivery, housing and job creation (UN-Habitat, 2014). Urban areas have only had functioning local governments since 2000.

There has also been a parallel process of fiscal decentralization to give city authorities more direct control over public spending and to strengthen transparency, local service delivery and democratic accountability.

The leadership of the governing party has been going through a transition over the last decade or so from tough rural revolutionaries who aligned themselves mainly with the peasantry and against feudalism. The younger generation of leaders recognizes the need to give greater priority to addressing the challenges and opportunities of urbanization. The process began around 1999 when one of their advisers prepared a concept paper outlining a sequence of necessary policy reforms and initiatives.

The first stage was to modernize their outdated planning and land legislation (dating back to 1945) and create an enabling environment for more coherent urban development. One of the outcomes was a new law governing the lease of urban land to allow for long leases to users (30 years for industry, 40 years for commercial and 99 years for residential). The second priority was to strengthen the technical capacity of local, state and national government officials to plan and manage urbanization. Within a year, a Master's degree programme in urban management had been established and 3,000 students have graduated to date. The third involved improving the inter-governmental system of fiscal transfers and the ability of local and state governments to raise their own revenues. The fourth was to start the process of planning urban expansions and infrastructure provision within individual cities.

A National Urban Development Policy Framework was approved in 2005. It was intended to be the vehicle for implementing the urban component of PASDEP (Accelerated and Sustained Development to End Poverty 2005/06-2009/10). However, limited resources and capacity have hampered its implementation in practice. An Urban Local Government Development Project (ULGDP) was approved in 2008 to address these constraints. The ULGDP is funded by the World Bank (approximately USD 200m to date) and administered through the Ministry of Works and Urban Development. It offers a performance-based matching grant to urban local governments that meet specific performance benchmarks. For the first time, these cities have access to transparent and predictable funding if they meet their performance criteria.

The project is very wide-ranging in scope, encompassing 19 different secondary cities. Since its launch in 2008, these cities have made improvements in planning, budgeting, financial management, procurement, revenue mobilization and project execution. Cities are managing their assets better and improving their delivery of services and infrastructure. As they collect more tax revenues, their leeway to borrow and invest further increases. Citizens have also been given more scope than in the past to influence decisions about priority services and infrastructure in their areas. The World Bank estimates that 2.5 million people living in the 19 participating cities had benefited from the infrastructure investments and upgrades by 2011, including new roads, drainage systems, water systems, latrines and landfills. In addition, some 95,000 jobs in cobblestone construction and other infrastructure works had been created for local residents through small enterprises. The ULGDP was doubled in size in 2011 in the light of its success.

Addis Ababa, Ethiopia © **Flickr/neiljs**

Another important feature of urban policy in Ethiopia is the systematic approach to urban expansion. Local government controls the use of land and grants leases to different users and developers. The process of planning urban expansions begins with a projection of the future population 25 years hence based on the latest census data. Existing population densities are assumed to continue in the extension areas, which yields a total amount of land required for the next 25 years. This is mapped onto the topography of the city and areas that are unsuitable for development are excluded. Different segments around the perimeter of the city are then given different levels of priority according to how easy it is to develop them. The first priority area is then subject to a grid plan based on one kilometre square blocks. The arterial and core infrastructure is then superimposed on the grid plan and the cost is calculated. Different blocks have different combinations of high- and low-cost housing, economic uses, public facilities and public space.

The boundary of the extension area is also clearly established to prevent incursions. A process then begins to compensate existing (rural) land users for the withdrawal of their access rights and any improvements they have made, such as grazing animals or growing fruit trees. The land is then progressively serviced and allocated to developers, depending on demand. The land lease law requires them to cater for all income groups (with different plot sizes) and to cross-subsidize from high- to low-income households. The bulk infrastructure is partly funded by the World Bank under the ULGDP. It is believed that the process of urban expansion will be largely self-financing, with the sale of the land leases generating the revenue to pay for the infrastructure and compensation of existing users. It is also believed that densification will happen by itself depending on the relative advantages of different locations.

Addis Ababa social housing programme, Ethiopia **© Cities Alliance**

South Africa

South Africa has lacked real appetite for an explicit NUP, at least until recently (COGTA, 2013; Turok, 2014b). Popular sentiment has been pro-rural and there has been no political vision for the future of cities. Three years after democracy an Urban Development Framework was approved by the cabinet in 1997, alongside a rural development framework. It was supposed to have been a strategy but it was downgraded to a framework, and it lacked an effective political champion to ensure it was implemented. As a result, it was soon ignored by most government departments. Another attempt to introduce a NUP was made in 2009, but it was rejected by the cabinet on the grounds that rural development was the country's priority. A new draft urban framework is currently being prepared (COGTA, 2013). The climate of opinion is beginning to change and the process of preparation has been more inclusive and consultative than in the past, so the chances of success are greater.

Part of the political challenge is the damaging spatial legacy of apartheid and the historic under-development of rural areas. Disadvantaged rural communities are perceived to deserve redress through special government support. There is also a view among many politicians that rural-urban migration should be discouraged and that cities can "look after themselves" following their privileged historic status and their dominant economic position.

South Africa urbanized earlier than most African countries owing to a mining boom in the late nineteenth century that continued through most of the twentieth century. Urbanization has always been controversial and has posed dilemmas for the government (Turok, 2014b).

It resulted in wide-ranging interventions, initially to accelerate it in the late nineteenth and early twentieth centuries, and then to control it. Urbanization was most forcefully resisted under the apartheid regime at enormous human and social cost. Apartheid also skewed the built form in distinctive ways, leaving racially-segregated and fractured cities with dense poverty traps on the outskirts. There is a continuing legacy of inequality, informality, infrastructure backlogs and transport congestion, which hamper social and economic progress to this day.

The political desire of white leaders to restrict migration came into increasing conflict with the economic imperative for additional low cost labour. The system of transient migrant labour was a compromise, with black workers forced to bear the costs of spatial dislocation. It benefited the mining companies because workers' families were left in the rural areas to carry on farming, which moderated their wage requirements and housing costs. During the first half of the twentieth century a series of laws were passed that restricted urban development and denied land and citizenship rights to black people in urban areas. Their aim was racial separation and containment of an "undesirable tide" of black urban migration. But mining and industrialization were exerting an irresistible pull on rural migration, which stoked political nervousness among the white elite. After the Second World War, these sentiments prevailed and draconian controls were imposed to suppress black urbanization in order to sustain white lifestyles and political domination (Turok, 2014b).

A suite of new laws began to entrench segregation by compelling people to live in different places classified by race.

Residential areas were separated by physical barriers and laid out in ways that permitted military control in the event of unrest. The resulting disconnect between jobs and homes was worsened by economic restrictions preventing black people from starting enterprises within the cities. Poor public transport meant long and costly journeys to work. Strict influx controls criminalized peoples' efforts to secure livelihoods and created a hostile climate of surveillance and intimidation. Although the restrictions did not halt urbanization, they slowed it down, particularly during the height of apartheid in the 1960s and 1970s.

South African cities now have low population densities in central and suburban locations and high densities on the periphery. This distorted urban form has harmful human and environmental consequences. It creates poverty traps on the periphery and favours road-based transport.

Cities remain the dominant centres of economic activity, but they are not performing to their potential or reaping the benefits of agglomeration because of their inefficiency and infrastructure constraints (Turok, 2014b).

The post-1994 democratic government recognizes the problems of a fragmented urban form, but its interventions have been too short-term and sector-specific to initiate change. Spatial planning has struggled to rebuild its reputation, having been an instrument of apartheid. Some pro-poor policies (such as the state's Reconstruction and Development Programme for housing, and the way in which public transport is subsidized) have reinforced people's exclusion by subsidizing the cost of living on the periphery, rather than supporting better location decisions. "Service delivery" has become the dominant mantra across government, implying the roll-out of separate housing, electricity, water and other programmes run by different departments.

BRT Station in Johannesburg, South Africa **© Flickr/AfricanGoals2010**

They respond where the population is growing, which tends to be where there is cheap or leftover land available, rather than planning ahead based on a vision of more integrated, functional and productive cities. The practical effect has been to perpetuate inherited spatial patterns rather than to reshape them (COGTA, 2013). Since 1994, 2.7 million free serviced houses have been constructed, which now accommodate one in five South Africans. This has been an important achievement in numerical terms, although there are reservations about the location, quality and standardized character of the housing units. Official ambivalence about urbanization also translates into a reactive and somewhat indifferent approach towards informal settlements and backyard shacks.

Several government initiatives with a distinctive urban dimension were taken between 2009 and 2012 to address particular challenges facing the cities. The most important was an attempt by the Treasury to consolidate the built-environment responsibilities of the public sector at the scale of the urban municipalities in the interests of coherent spatial planning and to reduce overlap and confusion with other government spheres. Devolving these powers to the metros was intended to make it easier to start reshaping the urban landscape through strategic interventions in transport, housing and land. A new Urban Settlements Development Grant was created in 2010 to fund municipalities to acquire, service and release land for low-income housing. The country's first National Development Plan (NDP) was published in 2012 with a whole chapter devoted to trying to integrate urban settlements to reduce their costs on households and the economy.

In 2013, the government began work on an Integrated Urban Development Framework (IUDF) to follow up the NDP (COGTA, 2013). It is likely to be wide-ranging in scope, with the fundamental objectives to promote more inclusive and resilient growth. The imperative is to achieve accelerated and sustained economic prosperity through increased employment, more efficient use of resources and stronger human capabilities in order to boost social development. Complementary objectives are to encourage low carbon forms of growth, ensure universal access to basic services and support social inclusion and integration.

An important proposal contained in it is likely to be for every city to formulate a long-term growth and development strategy (GDS) with a 30-year time horizon. The GDS will constitute a collective vision for the city – a clear sense of direction focused on realizing its long-term potential. It is likely to propose seven policy mechanisms or "levers" to promote change.

- Basic infrastructure networks.
- Inclusive economic development.
- Integrated transport and mobility.
- Integrated human settlements.
- Land management.
- Social transformation.
- Urban governance.

The IUDF should be submitted to the cabinet towards the end of 2014 or early in 2015.

Rwanda

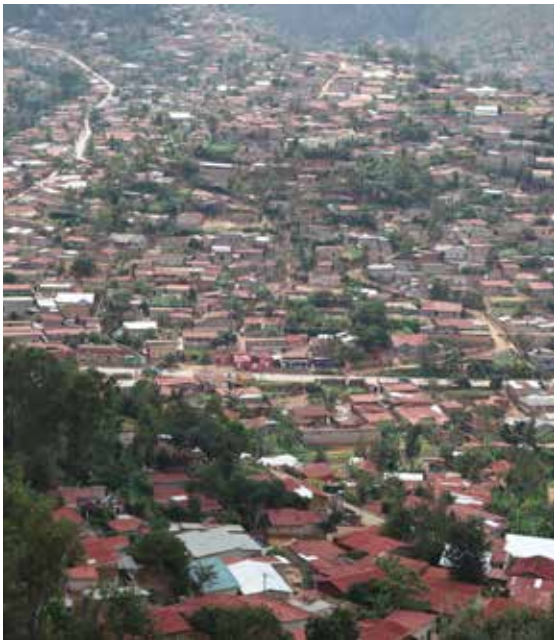
Rwanda has an urbanization level of about 19 per cent, and growing quite quickly (UN-Habitat, 2014). The 1994 genocide spurred a dramatic increase in urbanization as people sought refuge and safety in cities. As a result, the number of people living in urban "slums" more than doubled between 1995 and 2000 (UN-Habitat, 2014). The proportion of the urban population living in "slums" is now 68 per cent and the level of access to basic services is relatively low. The Government of Rwanda has tried to address this situation by active measures to extend service delivery, support house building and devolve responsibilities to local government. Its positive approach to urban areas is in marked contrast to many other African countries:

> ***"Development has proceeded swiftly in Kigali in recent years in line with the city's ambitious master plan. Tough zoning and permit laws are followed to the letter, with poor and rich held to equal standards, while city authorities are easily able to clear squatters off public land slated for approved projects … the pace of urban development has been impressive, earning the city a UN-Habitat Scroll of Honour Award in 2008" (UN-Habitat, 2014, p.29).***

The Ministry of Infrastructure is in charge of urban planning. Its sectional strategy document identifies four main goals for urban planning and human settlements:

1. to ensure a rational management of the urban space;
2. to ensure that the urban supply of land meets the urban demand;
3. to develop the building industry;
4. to provide quality public services.

One of the constraints faced is a shortage of technical expertise in urban planning and development at all levels of government. There is also a lack of coordination between ministries with responsibilities for urban infrastructure and services. Weak municipal financial systems are another impediment to improved urban conditions. International organizations have assisted with developing master plans for the larger cities, rehabilitating water and electricity infrastructures, resettling refugees and supporting youth development initiatives.



Kigali, Rwanda **© UN-Habitat/Julius Mwelu**

Rwanda is currently formulating an explicit urban policy, with support from UN-Habitat. This reflects the strong ambitions of President Paul Kagame to boost the country's prosperity and reduce poverty. One aim is to raise the level of urbanization to 35 per cent by 2020. It makes considerable sense to plan ahead of population growth by identifying suitable land, planning the street layout and installing essential infrastructure. There is strong political will to support urbanization and ensure that the cities are liveable and function well. As indicated above, one of the constraints faced is the lack of technical and administrative capacity in government. Relevant officials lack expertise to champion a NUP, to coordinate the relevant line function departments and to involve the private sector in a genuine collaborative endeavour.

Construction of water tunnel in Rusizi, Rwanda **© UN-Habitat/Julius Mwelu**

Ghana

Ghana has made more progress with its NUP, now that just over 50 per cent of its population live in urban areas. It exemplifies a country that has begun to recognize the positive arguments for urbanization in terms of contributing to economic and social development. President John Mahama himself has made the case for a NUP on the grounds that cities can drive national economies if they are properly planned and managed. The rate of urbanization continues to be very high, linked to the discovery of oil in the south and rapid economic growth, but is predominantly informal and haphazard.

After a four-year period of technical analysis, policy reviews, workshops and extensive domestic and international consultation, the first ever NUP was launched in March 2013, along with a five-year detailed Action Plan. The preparatory work included a high profile advocacy campaign on television and radio to make the case for better-managed urbanization, which had a big impact. The broad aim of the NUP is to promote sustainable, spatially integrated and orderly development of urban settlements, with adequate housing and services, and efficient institutions. Extensive investment in urban infrastructure funded by national government and managed by municipalities is intended to alleviate severe congestion in the big cities and create a sound living and working environment to accelerate the country's all-round development. There are 12 ambitious policy objectives:

1. To facilitate balanced redistribution of the urban population;
2. To promote a spatially integrated hierarchy of urban centres;
3. To promote urban economic development;
4. To improve the environmental quality of urban life;
5. To plan and manage urban growth and sprawl more effectively;
6. To ensure efficient urban infrastructure and service delivery;
7. To improve access to adequate and affordable housing;
8. To promote urban safety and security;
9. To strengthen urban governance;
10. To promote climate change adaptation and mitigation;
11. To strengthen applied research in urban and regional development;
12. To expand sources of funding for urban development and for strengthening urban financial management.

The NUP was formulated by Ghana's National Development Planning Commission, an advisory body to the president. Implementation of the NUP is supposed to be coordinated by the Urban Development Unit within the Department of Local Government and Rural Development (DLGRD). This is a small entity with few resources and little influence over the rest of government. There are no institutional mechanisms in place to encourage other government departments to follow the NUP. Consequently, it is fair to describe the NUP at present as a coherent policy without an institution to implement it effectively. National and local forums have been set up to put urban issues on the agenda of other departments and external stakeholders, and the president has insisted that these are taken seriously, but it is too soon to comment on their effectiveness.

The DLGRD is committed to strengthening the capacity of municipalities to take on much of the agenda, including forums to engage shack dwellers and other civil society organizations.

Accra, Ghana **© Flickr/jbdodane**

Cities Alliance has been assisting to develop the framework, with financial support from the World Bank and the German donor agency GIZ. Efforts are currently underway to try and assist the DLGRD to strengthen its relationships with other government departments so that the NUP can get more traction – through the forums mentioned above and informal arrangements. The prospects for success are unclear.

In a related initiative, the World Bank is providing USD 150 million to fund a five-year programme to improve water and sanitation across low-income areas in greater Accra. Current conditions are very poor - less than one in five households have access to waterborne sanitation, which undermines public health and social development. The new programme reflects a growing commitment from the government to reverse the deteriorating conditions caused by rapid urban growth.

The first two objectives of Ghana's NUP reflect a desire to avoid focusing solely on the primary cities. The intention is to relieve pressure on Accra and Kumasi by supporting a broader system of cities, in which secondary cities are supported to reinforce their role. A key mechanism for doing this is to build the capacity of local government by training planners, other officials and local councillors. Finding the right balance between investment in the primary and secondary cities will be tricky.

An interesting feature of the NUP is the recognition given to the role of the informal sector, including businesses, markets and settlements. The NUP talks about "changing the official attitude towards informal enterprises from neglect to recognition and policy support". Several initiatives address informal settlements, including a commitment to end evictions, support in situ upgrading, and introduce new forms of housing finance. This will not be straightforward because of engrained official mind-sets that these are illegal and unwelcome. An initial priority is to name and number all streets. This should allow local authorities to collect property taxes and generate much-needed revenue to fund improved service delivery.

Another important issue concerns the ownership of land and rights to the use and development of land. Traditional systems tend to dominate in Ghana (essentially tribal trusts), which creates considerable uncertainty and confusion, particularly around the conversion of undeveloped land to urban uses. Informal arrangements for allocating land and negotiating changes of use and physical development result in many disagreements and disputes. For example, there are frequent evictions of households in low- and middle-income neighbourhoods whose residents thought they owned the property or had rights to occupy it, only to discover that someone else had a more legitimate claim to it. Hence, land is a major obstacle to coherent urban development, but is not adequately addressed by the NUP as yet.

Nigeria

Nigeria's experience of NUP is similar in some respects. Approximately half of the population live in urban areas and economic growth has been relatively strong since the discovery of oil. Yet poverty remains high and the proportion of the urban population with access to water and sanitation is very low by international standards (UN-Habitat, 2014). The country has a long-established urban and regional planning system, based on colonial experience. A new planning law was introduced in 1992 aimed at modernizing the old system and making it more relevant to the country's needs arising from rapid urban growth and the pressure on land and infrastructure. This was accompanied by a National Urban Development Policy (NUDP) in the same year, and the establishment of an Urban Development Bank to finance urban infrastructure and public facilities. The broad aim was to improve the planning and management of urbanization so that urban settlements would foster sustainable economic growth and improved living standards. More specific objectives included:

1. To promote efficient urban development and management;
2. To define the responsibilities of each level of government so as to ensure effective plan implementation and accountability;
3. To provide appropriate financial mechanisms across the three levels of government to implement slum upgrading, urban infrastructure and other development projects;
4. To revise and implement sectoral programmes in housing, environment, employment and other fields to make them more responsive to the country's urban problems.

In practice, implementation of these policies has generally been poor, so the benefits of urban planning and coordinated investment in infrastructure have not been realized. Twenty years later, the government acknowledged that:

> ***"Successive governments in Nigeria have shown little concern for solving urban problems. Rather, they have directed more efforts towards promoting agriculture and rural development … Despite the fact that Nigeria adopted a robust National Urban Development Policy and enacted a comprehensive Urban and Regional Planning Act, both in 1992, there has been generally little achievement to show in terms of their implementation. Today, the general apathy towards urban planning still persists in the country" (Federal Republic of Nigeria, 2012, p.4).***

A revised NUDP was introduced in 2012. It acknowledged the multiple problems caused by unplanned urbanization, including slum housing, squalor, unemployment, insecurity, crime, environmental degradation, sprawl, congestion and inadequate public services. It also explicitly recognized the positive arguments for a NUP in terms of accelerating national economic growth and development. In a 100-page document with 23 chapters, the NUDP expressed a comprehensive new set of goals, objectives and strategies for implementation, monitoring and evaluation. These covered access to land, the urban economy,

transport, slum upgrading, the environment, infrastructure, welfare services, financing, management information, human capital, security, governance, planning, mega-cities, climate change, disaster management and institutions. The final chapter was the shortest, despite covering implementation, coordination, monitoring and performance evaluation.

One of the difficulties facing implementation of the NUDP in Nigeria is the federal system, which limits the powers and influence of the national government and its policies. To gain traction there need to be arrangements to influence policy-making and development practice at the state level. This has not happened to any great extent to date. In addition, there is an acknowledged shortage of technical capacity, resources and information/evidence to undertake effective urban planning (Federal Republic of Nigeria, 2012). The approach to land-use planning also remains somewhat outmoded in that it is reactive and control-oriented. There is little tradition of positive planning to make things happen, and the institutional and legal frameworks for promoting urban development are inadequate.

Nigeria's experience in building a new capital city in Abuja contradicts these points to some extent. It was designated in the early 1970s and was built mainly in the 1980s. It originated partly because of the congestion and squalid living conditions in Lagos. It is in a neutral location in the centre of Nigeria in order to reduce ethnic and religious divisions and promote national unity. The logic was similar in several respects to the building of Brasilia. Abuja has become an important centre of government administration and foreign embassies, but the cost has been high and the wider economic benefits have been limited.

For the last decade, a major new urban programme has been underway in Lagos called Eko Atlantic. The idea originated in 2003 when the Lagos State Government was searching for a solution to severe coastal erosion and flooding in part of the city, attributable to the rising sea level. A feasibility study suggested reclaiming 10 km2 of land from the sea on which to build a mixed-use, high-density financial, business and residential district the size of Manhattan. The vision is to become the new financial epicentre of West Africa and to help Lagos State transform itself into a world megacity. The area is expected to accommodate 250,000 residents and 150,000 jobs. Having reclaimed part of the land, the work is currently focused on laying the roads and other infrastructure. The project is controversial because of its high cost, its exclusive, upmarket character and its adverse impact on the environment (Lukacs, 2014).

Lagos, Nigeria © **Wikipedia/Jrobin08**

Uganda

Uganda has recently embarked on the process of formulating a NUP, assisted by Cities Alliance who provided a grant of USD 450,000 to support the endeavour. The government has recognized that the current trajectory of urbanization in the country is unsustainable, with a level of urbanization of only 15 per cent in 2010, a current rate of urban growth of 5.6 per cent, and 60 per cent of the urban population already living in "slums" (UN-Habitat, 2014). In addition, "land policies, urban planning and transport constraints, and housing shortages are choking urbanization and the economy" (Lall, no date, p.1). The preparatory work started in 2010 with a major diagnostic review to identify more precisely the problems and challenges faced in five particular cities. This was then extended to all cities and large towns. It was supplemented with other analysis, including an assessment of the suitability of relevant national legislation.

A draft policy was then formulated, followed by process of stakeholder consultation through a range of relevant forums, including a national urban forum, municipal forums and local forums. These forums were introduced in response to the implementation difficulties NUPs have faced in other countries, particularly the lack of buy-in from different parts of government and civil society. A major objective of the forums is to build institutional support and to secure resources to help implement the policy, both from within the government and from external stakeholders. For example, an important objective of Uganda's NUP is to transform informal settlements by mobilizing the energies and local knowledge of shack dwellers.

Some work has also been undertaken on suitable indicators for target setting, monitoring and evaluation. And work on an accompanying financial strategy is about to commence. The World Bank has introduced an innovative approach to investment which allows for experimentation between the different cities without government guarantees. Success overall will depend on the strength of political will and the effectiveness of the coordination mechanisms to align different line department functions, given the scattered urban responsibilities across government (Lall, no date). It is difficult to get parliament to approve an NUP when less than 10 per cent of the 400 or so Members of Parliament represent urban constituencies. The others tend to see urban policy as a threat to their areas. This makes it vital to have policy champions within government departments and effective arrangements for inter-departmental coordination.

Uganda's Ministry of Housing, Land and Urban Development is responsible for implementing the NUP. Its main responsibility is physical planning. Over time, it has gradually increased its external profile, political influence and technical capacity within government by introducing practical programmes to deliver services and infrastructure in selected cities. These are typically funded by international agencies.

Government policy towards Kampala has been particularly contentious over the years, partly because the opposition party has tended to control the local municipality, and the president has been "willing to interfere in the city's affairs to secure political support.

Projects have often been delayed or cancelled at the behest of groups who promise to deliver votes in return" (UN-Habitat, 2014, p.29). The situation has been volatile at times. For example, 30 people were killed in riots in Kampala in September 2009. Along with local corruption and lack of resources (UN-Habitat, 2014), this may have contributed to the government's decision to abolish the city council in 2010 and replace it with a new Kampala Capital City Authority (KCCA), in which accountability is both top-down and bottom-up. KCCA has elected councillors answerable to local people and an executive mayor who is answerable to the national minister. This has proved very controversial and serious policy differences between the councillors and the mayor are currently the subject of court action. Accountability upwards sometimes helps to safeguard the rights of poor communities. For example, planned demolitions of shack settlements have sometimes been stopped by ministers.

One of KCCA's problems is under-bounding because it covers only about two million people out of four million in the metropolitan area. This arose because the influential King of Buganda was one of the major landowners affected and the government did not want to incorporate his land into the city. Traditional land ownership is a general challenge for urban policy and planning throughout Uganda: "the lack of clear property rights has removed a large proportion of land from the market. In fact, only 18 per cent of private land is registered and titled" (Lall, no date, p.13). The lack of a transparent land market has complicated the transition out of agriculture and the re-use and redevelopment of urban land for higher value activities over time. Summing up, the growth of Ugandan cities has been largely unplanned, with high rates of extensive physical growth, poor alignment between sectoral and spatial planning, inadequate provision of basic services, weak urban managerial capacity, a deficient legal framework and significant financial constraints. Developing and implementing a NUP seems vital for the country's future.

Kampala, Uganda © **Flickr/Todd Huffman**

Kenya

Kenya's experience of urban policy has been uneven over time. Part of the problem has been the weakness of local government, with many small local authorities lacking the viability and technical capacity to deliver services and plan the development of their areas. They have been shadowed by state-run administration. It has been argued that local government has been kept weak because it tends to be dominated by the political opposition, especially in Nairobi and the other cities (de Visser, 2012). As a result, urban areas have been somewhat neglected, despite accommodating about a third of the population and growing rapidly. Coherent urban development has also been hampered by a fragmented approach to planning and inconsistent geographical boundaries, with different agencies applying their own laws, resulting in inconsistencies and conflicts. Urban planning is based on outdated and inappropriate approaches inherited from colonial times and that are routinely used to carry out mass evictions and demolitions in informal settlements. The planning profession has become irrelevant and discredited as a means for securing control, exclusion and enrichment of political and economic elites (Ngau, 2013).

Work on a National Urban Development Policy (NUDP) began in 2008 to manage rapid urbanization and unlock the economic potential of cities. A draft NUDP was released in late 2013. Its focus is on improving housing, physical infrastructure and municipal services. The response to informal settlements is a pragmatic policy of delivering affordable housing of acceptable quality. It is also intended to harmonize legislation and reduce the complications of fragmented planning systems.

The NUDP argues for greater attention to be given to the following themes: the urban economy; urban governance and management; national and county urban planning; land, environment and climate change; social infrastructure and services; physical infrastructure and services; urban housing; urban safety and disaster risk management; and marginalized and vulnerable groups.

The NUPD is currently being reviewed at national cabinet level. An urban policy is generally recognized as being necessary given the country's poor performance in urban planning and management. Vision 2030 states the problem clearly. Under Housing and Urbanization (5.5): "more than half the population is likely to be residing in urban areas by 2030 … Kenya's cities and towns are now poorly planned and that must change (with significantly increased) capacity for regional and urban development planning". The draft NUPD reinforces the economic significance of Kenya's towns and cities. "They account for … around 70 per cent of GDP".

Local government in Kenya was restructured in 2013. The old democratically elected municipalities were replaced by boards and administrators appointed by the 47 new county (regional) governments. The counties were created from sub-divisions of Kenya's eight former provinces. The intention is that the counties will take on some of the responsibilities previously held by the national government – a partial form of devolution. County responsibilities include a range of built environment functions, including planning, development, roads and public transport, housing, water, sanitation, storm water management, electricity reticulation and environmental conservation.

The counties are required by statute to prepare integrated development plans (IDePs). They follow the electoral cycle and are therefore institutionally based; focusing on the policy and budgetary aspects of output-based planning and reporting. The first round of IDePs were submitted by the deadline of 30th September 2013. This was acknowledged to be a very rushed first target after the March 2013 elections to the new counties. One consequence is that sight is being lost of the "urban agenda". Fortunately, the urban legislation provides the framework for redressing the balance towards urban planning and management.

The most crucial function for urban management is the preparation and review of "urban" IDePs. Section 20(1)(c) of the Cities and Urban Areas Act 2011 makes that crystal clear: (a board of a city or municipality – including a town; section 20(2) - shall) formulate and implement an integrated development plan.

This is not at the discretion (or gift) of the county. It is a mandatory "urban management" responsibility. Section 39 (1) then states: "A board or town committee shall, within the first year of its election, adopt a single, inclusive strategic plan for the development of the city or urban area for which it is responsible". Three urban programmes currently exist through among others, the World Bank: NAMSIP (for Nairobi); KISIP for slum and squatter upgrading; and KMP, for the 15 major urban locations. KMP has adopted the manta "Making Kenyan Towns Work", and seeks to do so by focusing on key infrastructure provision (public investment) to support superstructure investment (predominantly, the private sector) with targeted institution-building interventions. An approved NUPD will help reinforce the urban agenda in Kenya.

Construction of infrastructure in Nairobi, Kenya © **Kenya Vision 2030**

Malawi

Malawi has an urbanization level of only 16 per cent, although it is growing fast. Rapid urbanization has led to the growth of new urban centres and poorly serviced informal settlements. The planning and management of service delivery by urban authorities is deficient, and worsened by the government's rural development focus. Thus, two-thirds of the urban population live in slums (UN-Habitat, 2014).

Urban and regional planning in Malawi was centralized (as in most post-colonial countries) under the Ministry of Lands, Housing, and Urban Development, with four regional offices in Blantyre, Zomba, Lilongwe, and Mzuzu. The Commissioner for Physical Planning is mandated to carry out all urban and regional planning in Malawi. After 1991[3], urban and regional planning was devolved to local authorities in Mzuzu, Lilongwe, and Blantyre as these had planning professionals. The Local Government Act requires all councils to undertake planning activities. Responsibility for infrastructure and service provision is shared between central and local government. The central government provides these through various ministries and para-statals. Lack of resources and technical capacity mean that basic services are generally deficient.

Malawi embarked on a City Development Strategy to manage urbanization with the support of Cities Alliance. This sought to develop management strategies for the cities of Blantyre, Lilongwe, Mzuzu and Zomba. The City Development Strategy also sought to improve the national institutional framework, and set up a sustainable financial system for local government. However, implementation of the strategy has suffered from inadequate technical and financial means. In addition, an Urban Policy Framework is under development to help formulate a coherent approach to urban areas. The Urban Policy and a New Land Bill are expected to ease challenges in land administration and management but have also been criticized for insufficient consultation.

Blantyre City Council is the country's leading authority in respect of slum upgrading, working alongside UN-Habitat in the "Cities Without Slums Programme", to halve by 2015 the proportion of the population that lack access to adequate water and sanitation (UN-Habitat, 2014). The council also works alongside the Ministry of Lands, Housing and Urban Development and the Malawi Housing Corporation to provide housing in Blantyre.

Lilongwe, Malawi © **Flickr/neiljs**

3 This coincided with the achievements of the United Kingdom's Overseas Development Administration's (now Department for International Development's) town clerks project (1989-91). It was then rolled into a replicating contribution in urban management, to the WB and United Nations Development Programme-funded Malawi local government reform project (1991-94). One major achievement of the first phase of support was Lilongwe's conception and formulation of its integrated development strategy; still available in 'pdf'. Lilongwe City Council; integrated development strategy, 23 August, 1991. By 1993, this experience had been replicated in Blantyre, Zomba and Mzuzu. A theoretical review of city management in the developing world was then set against the Lilongwe experience: McGill, R. Institutional development: A Third World city management perspective. New York: St Martin's Press (Jan, 1997) and Basingstoke: Macmillan Press (Nov, 1996), 310 pp; republished as City Management in Developing Countries: an Institutional Development Perspective. BookSurge (2007), 310 pp.

Zambia

Zambia has recently taken tentative steps towards establishing an urban policy. Lusaka is experiencing strong growth pressures, resulting in sprawling informal settlements in peri-urban areas, inadequate services and traffic congestion. Several mining towns in the north are also experiencing strong pressures of in-migration in search of livelihoods. This poses considerable problems because of the lack of basic infrastructure to service the emerging settlements.

The government recognizes the need for an NUP. One of the first steps taken was to convene a national conference in April 2013. A discussion document was produced about six months later that reviewed urban trends and made the case for a NUP to plan and manage urbanization more carefully. This has been discussed and approved by the national cabinet, with some funds allocated to facilitate the process of preparing the NUP. UN-Habitat has supported the process with technical advice and initial funding for the discussion paper, and part of the costs for the conference.

Lusaka, Zambia © **Wikipedia/Brian Dell**

Mozambique

UN-Habitat is also trying to prepare the ground for an NUP in Mozambique. The country is experiencing rapid urbanization and fast economic growth associated with mineral extraction, including coal and natural gas. All land is nationalized, which is an advantage in many respects. However, it also means that people migrating to the cities may be inclined to occupy land without authorization since the government is less aggressive about preventing land invasions than other types of landowner.

The Mozambique Government generally lacks capacity in terms of all-round planning and infrastructure delivery. Local government is even weaker. There was once a land-use planning system, but it has since collapsed.

As a result, the private sector tends to dominate physical investment in construction, service provision and spatial planning, by organizing property development in private compounds or gated developments with their own (off-grid) infrastructure. Development elsewhere tends to be informal and unplanned, resulting in urban fragmentation and social segregation – "development in the city, not of the city". Lack of professional capacity in local and national government is a serious problem since all graduate planners are absorbed by the private sector. UN-Habitat is seeking to support a Master's degree programme in slum upgrading at a local university, and a large-scale vocational training course in basic urban growth management skills, with a target of 600 students per annum.

Maputo, Mozambique **© Eduardo Feuerhake**

Angola

Angola also lacks capacity to formulate and implement an NUP. It faces a formidable challenge, particularly in the capital city, Luanda, because of the history of urbanization. Several decades of civil war in the countryside forced millions of people to seek refuge in the city. The government considered them to be displaced people who would move home after the war, so they only catered for temporary services. However, the protracted war meant that most people settled permanently in Luanda. The city was planned for half a million people, but it currently has five million and is growing by 280,000 more each year (5.8 per cent per annum) (UN-Habitat, 2014). There is widespread poverty and informality, with two-thirds of urban residents living in informal settlements. Repairing the damage through upgrading and formalization represents an enormous challenge.

Lacking internal professional capacity and expertise to undertake large-scale construction schemes, the government's main response has been to commission a state-owned Chinese company to build seven new towns or satellite cities on the outskirts of its main cities. The government acquired the land and leased it at a major concession, and normal planning and approval procedures were bypassed to expedite progress (Cain, 2014). The most ambitious is Kilamba New City, 30 km from Luanda and designed to accommodate half a million people in 750 apartment blocks. This follows an election pledge made by the president in 2008 to build a million new homes in four years, but without any consultation about how to achieve this. The rationale appears to have been to meet the demand for housing from a growing middle class linked to Angola's oil-related economic boom. The cost of Kilamba is reported to be USD 3.5 billion, financed by Chinese credit and repaid by the government with crude oil (Redvers, 2012).

The process was fast-tracked with the result that the first phase of Kilamba was completed in 2012, with around 20,000 apartments. However, they were priced beyond the means of the vast majority of workers in Luanda because average wages are low and the middle class remains small. Consequently, most of the new properties remained empty for some time until the government saved the prestige project by diverting the bulk of its housing budget to subsidize their purchase by mid-level civil servants (Cain, 2014). It appears that the lack of prior analysis and consultation means that the new housing was targeted at the wrong end of the market, so the impact on Luanda's severe housing and infrastructure needs has been negligible. Another problem has been the lack of any transport links between Kilamba and Luanda.

Kilamba New City in Angola © **Wikipedia/Santa Martha**

Mali

Mali in West Africa has a countrywide city development strategy elaborated in 2009 by the Ministry of Urban Planning (Cities Alliance, 2013). Few further details are available. There are also Urban Development Plans (UDP), produced during the start-up phase of the Urban Development and Decentralization Project in Bamako and the eight regional capitals. These documents are a sound decision-making tool, but little use appears to have been made of them because of a lack of local resources and capacity.

Urban planning is also mentioned as part of the country's Poverty Reduction and Growth Strategy. Development agency-backed programmes include the Social Development of Neighbourhoods: Sigida Kura Programme and the Bamako Urban Development Support Programme (PDUB). The government is currently seeking UN-Habitat support to develop a NUP with a focus on housing.

Most other countries in Africa do not have an explicit NUP.

Bamako, Mali **© Wikipedia/Arensond**

Children in Stone Town, Zanzibar **© Helene Fourniere**

5

Keys for a new generation of NUPs

An ongoing construction of water tunnel in Rwanda © UN-Habitat

This section synthesizes the evidence and distils the lessons from the preceding analysis for the design and implementation of NUPs. At the outset, it is important to stress again that the challenges and opportunities for NUPs are contextually specific, so the responses need to vary accordingly. A NUP must be tailored to suit the specific conditions of the country. It clearly matters whether the country is urbanizing slowly or rapidly, what is driving the process (push or pull factors), what the level of prosperity is (and hence the resources available for investment in infrastructure and housing), what the technical and administrative capabilities of local and national institutions are, and what the political stability and dominant vision is. Taking the crucial issue of urban infrastructure investment, for example, the resources available are a function of both the level and the growth rate of GDP per capita. China and Korea were able to invest heavily in infrastructure early on when average incomes were low precisely because they had such a high growth rate. The same should apply to those African countries experiencing high growth rates at present, such as Ethiopia, Angola, Nigeria and Ghana.

Despite the great diversity of national circumstances, a range of general lessons and principles emerge from experience around the world. **First,** governments need to become more sensitive to the threats and opportunities posed by rapid urban growth. The complex challenges faced by cities cannot be solved by spatially blind sectoral policies. A political process is required to mobilize and sustain active support from across the conventional line functions of government. The idea of urban policy has evolved over time from sectoral programmes, special initiatives and time-limited projects towards a more enduring, collaborative and integrative approach. It means some places being treated differently from others because of their distinctive needs and potential. This is complicated to organize and raises concerns about preferential treatment. A political champion for the urban agenda can have different institutional locations, and there is no perfect model. Whatever structure is created has to be able to win support across different departments to ensure that sufficient resources of all kinds are mobilized to make a difference. Any structure also requires leaders who believe in the urban agenda and who are capable of persuading others to support the case – building a coalition of interests. The argument is likely to be more persuasive if it relates to the national economic benefits that will stem from better urbanization, rather than meeting basic needs, repairing the damage caused by the growth of slums, or preventing them emerging in future. The latter argument sometimes encourages the response that it would be better and more productive to invest in rural development.

Shifting the trajectory of urban growth also requires a sustained, broad-based effort because of inertia and vested interests. Housing, transport, basic infrastructure and other sectoral policies need to become more flexible and adapted to the realities of cities and towns. A Ministry of Cities, such as that introduced in Brazil in 2003, can help to champion the urban agenda and hold government departments to account for ensuring they help rather than hinder this cause. NUP also requires stakeholders outside government to be energized and aligned with the new agenda, including financial institutions and property developers. Without high-level political support and vision, NUP may achieve little in practice because inertia and continuity (business as usual) prevail. The links between urban policy and economic/industrial policy (via the ministries of finance and trade and industry) are particularly important in securing scarce public resources which will help to harness the economic potential of cities and remove the bottlenecks that turn the benefits of dense agglomerations into burdens.

Second, implementing a NUP means a sustained technical process of building the legal foundations, institutional capabilities, administrative procedures and financial instruments to pursue this agenda effectively. It requires complex arrangements to coordinate the various actors and agencies involved, including different kinds of partnership. Successful cities cannot be built by governments alone. Intra-governmental forums can help to hold different departments to account for their urban activities, and to encourage cooperation. A NUP may also need aspects of established legislation (such as old land-use planning regulations and laws governing the ownership, use and development of land) to be altered so that it is more relevant to contemporary conditions and better equipped to deal with growing informality in many countries. Unless countries are benefiting from exceptional revenues generated by commodity exports, or have a robust financial system that enables them to raise long-term capital

investments, the high cost of urban infrastructure is bound to require new mechanisms to generate financial resources. For example, capturing a share of the rise in land values that accompanies the development of vacant or under-used land, or the redevelopment of buildings to higher density properties or higher value uses.

Third, it is very difficult to implement NUP from the centre because it is remote from the real-world challenges and opportunities to get things done. Indeed, the active participation of cities is necessary to achieve many national policy goals. NUP benefits from active cooperation between spheres of government and the decentralization of selected powers, responsibilities and resources to city-level institutions. Local government is better placed to make a difference because it has superior knowledge, perspective and accountability to manage urban development in a rounded and responsive manner. City-level institutions can engage more effectively with local communities, private investors and other interests to build a common strategic agenda for the future of the city. They have greater flexibility to experiment with different approaches and learn from experience. City development strategies or integrated development plans help to make the difficult long-term decisions that balance economic, social and environmental considerations, and that align plans for the future with government investment in infrastructure and other facilities. Locally based investments funded by local taxes are likely to result in the best decisions because they reinforce local accountability. Building municipal capabilities is particularly important in Africa given the weak state of local government in many countries (Cities Alliance, 2013). NUP can assist with technical advice, dedicated funding streams, training programmes, hands-on practical support, and opportunities for municipalities to learn from each other, but it cannot solve deeper problems such maladministration and misconduct, or weaknesses in the country's financial system that inhibit borrowing for infrastructure investment.

Fourth, a core objective of NUP is to manage the peripheral expansion of cities in the interests of encouraging higher density and more integrated urban development. This is bound to require strategic planning and coordination across administrative boundaries in situations where municipalities compete against each other for investment or taxpayers. Left to themselves, private developers and public sector housing providers will tend to favour building on lower cost peripheral land. This may contain the cost of housing in the short-term, but at the expense of ongoing transport costs for households and capital infrastructure costs for government. Sprawl can also damage natural ecosystems, consume precious agricultural land and destroy scarce biodiversity. Furthermore, unregulated property development can result in excessive speculative building and property bubbles that go well beyond the level of demand in the real economy and cause subsequent damage to asset values and confidence.

Fifth, promoting higher density, integrated urban development requires more than restrictions on the expansion of the urban edge or boundary. Positive efforts are required to renew and upgrade existing urban infrastructure, promote denser forms of development and redevelopment within inner urban areas, and encourage more intensive use of vacant and under-developed land in well-located areas. This tends to go hand-in-hand with more mixed-use development and less segregation of different land-uses. This is bound to be a gradual process

requiring a shift in the attitudes of developers, and for households to recognize the value of convenience in urban living. Higher levels of investment in public spaces and public transport systems may also be required if households are living in smaller homes at higher neighbourhood densities.

Sixth, it is bound to be more cost-effective and less socially disruptive to plan ahead for urbanization by preparing the land and laying down the underground infrastructure in advance, rather than trying to redevelop or relocate informal settlements after they have been established. Understanding urban growth pressures and taking early action to prevent dysfunctional physical forms emerging is generally better than treating them once they exist. Nevertheless, informal settlements cannot be ignored and should not be condemned and eliminated in the name of progress. Considerable pragmatism is required to formulate realistic plans for their upgrading and improvement. In some cases, it may be possible to upgrade in situ. In other cases, site consolidation and land readjustment may be feasible. Elsewhere it may be necessary to relocate some households in order to reduce residential densities or to limit the risks of landslides or flooding. The informal sector (housing, economy and service provision) generally needs to be taken more seriously than it currently is in many countries. It may be described as a "second-best" environment characterized by poverty, insecurity and survival, but it fills important gaps in urban society and its existence is generally better than if it did not exist. The challenge is to strengthen its function over time so that productivity is enhanced and living and working conditions are improved.

Seventh, a NUP may well involve programmes to strengthen the connectivity and cooperation between cities and towns. The openness of urban economies and their interdependence with surrounding areas requires efficient linkages with other places. This improves the functional efficiency of metropolitan regions and assists firms and households in rural areas to access the markets in urban areas. Greater cooperation and connectivity between cities also enables industrial specialization and the development of distinctive and complementary strengths, which can help to promote national economic competitiveness. Cooperation may extend to strengthening the role of secondary cities in the national urban system so that they function better and help to absorb some of pressures on the largest cities. This is highlighted in the India, China and Ghana case studies.

Finally, the sequential process of NUP preparation seems to make sense and should not be rushed: diagnosis, policy formulation, implementation and monitoring/evaluation. NUPs need to be tailored to the national context and be feasible in terms of available resources, institutional capabilities and political appetites. Understanding the domestic urbanization trends and dynamics should help to improve the policy response. Stakeholder consultation and involvement should also feature prominently throughout the process to help NUPs gain support and traction from the private sector and civil society. In countries where there is little or no interest or enthusiasm for a NUP it is important to raise awareness of the issues, to stimulate public discussion, and to engage with decision-makers about the risks and missed opportunities of neglecting to engage in this policy realm.

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The Evolution of

National Urban Policies

A Global Overview

At the beginning of the twenty-first century, urbanization is undeniably a process that is increasing at a rapid rate with ever more people moving to urban areas to improve their lives. The way in which countries have developed policies to manage this process is the subject of this publication.

Countries from different regions around the world have been selected to illustrate how context and history can shape an urban policy. The aim has been to synthesize the different experiences into useful principles and lessons from which others can benefit.

All governments should aim to develop sustainable, stable and functioning cities that can support the millions of people who gravitate towards them.

Achieving sustainable urban development requires that stakeholders, through a participatory process, foster urban policies that promote more compact, socially inclusive, better integrated and connected cities that are resilient to climate change.

This publication explains some of the elements that are essential to achieving sustainable urban development. Historical, contemporary and forward looking perspectives are provided with concrete examples and good lessons learnt for all urban policy actors.

This publication will be very useful for urban stakeholders working on urban policies in the public and private sectors, civil society organisations, development agencies, research and capacity development institutions.

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