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**The City is missing
in the
Millennium Development Goals**

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*The Power of Numbers: A Critical Review of MDG
Targets for Human Development and Human Rights*

Preface

This paper is one of a series of papers in a research project, *The Power of Numbers: A Critical Review of MDG Targets for Human Development and Human Rights (the “Project”)*¹. Motivated by a concern with the consequences of the Millennium Development Goals (MDGs) beyond the achievement of the 2015 targets, the Project seeks to explore their broader policy and programmatic implications. It focuses particularly on the reductionism inherent in the way in which these global goals were set and came to be used, as well as the potential for distorting priorities and marginalizing, or even displacing, important human development and human rights concerns inherent in such global goal-setting exercises. A total of 11 studies are included, each analyzing the normative and empirical consequences of a particular MDG goal/target, and considering what other targets and indicators might have been more appropriate. The Project aims to identify criteria for selecting indicators for setting targets that would be more consistent with Human Development and Human Rights priorities, amenable to monitoring impacts on inequality, accountability and consistency with human rights standards.

Although this paper is currently accessible as a free standing working paper, it should be read in conjunction with the [synthesis](#) and [background](#) papers of the Power of Numbers Project. These papers provide necessary information about the scope of the Power of Numbers Project, the historical framing of international agreements leading up to the MDGs, and the human rights and human development frameworks referenced in the paper. These working papers are expected to be compiled as a special issue of the *Journal of Human Development and Capabilities*.

¹ An independent research project coordinated by Sakiko Fukuda-Parr at The New School and Alicia Ely Yamin at Harvard School of Public Health. Support from the UN Office of High Commissioner for Human Rights, UN Development Programme, Frederick Ebert Stiftung, Dag Hammarskjöld Foundation, and the Rockefeller Foundation are gratefully acknowledged.

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The City is missing in the Millennium Development Goals

Michael Cohen²

Abstract

The scale and pace of urbanization in the economic and social transformation of developing countries continue to be among the most overlooked phenomena of the 21st century. MDG#7, Target#11 focuses on improving the living conditions of 100 million slum dwellers – about 5% of projected urban growth in developing countries from 2000 to 2020. The target is neither precise, nor evidence-based, nor framed to allow rigorous confirmation of achievement or not. Most importantly, it diverts policy and public attention away from the central role of cities as the sites of production of more than 60% of GDP in most countries, the role of cities in recovery from the global economic crisis, and as a site of impact and remedy of climate change. Target #11 thus “misses the target” of urban development and, more broadly, the target of development and human development altogether.

Introduction:

The scale and pace of urbanization in the economic and social transformation of developing countries continue to be among the most overlooked phenomena of the 21st century. Despite the fact that more than half of the world’s population lives in urban areas and that more than 60 percent of GDP in most countries comes from urban-based economic activities, the reality of urbanization is not considered either by macro-economists as a central component of development processes or by most specialists on poverty as the site of an increasing share of deprivation on a global scale.

Nowhere is this more evident than in the history of the Millennium Development Goals (MDGs) which have essentially ignored the urbanization process by focusing solely on one limited physical aspect and doing so in a not very serious way. Simply put, given the consensus estimate of projected demographic growth of some 2 billion new urban residents in developing countries between 2000 and 2020, it is reasonable to ask how could the MDGs include a target of improving the conditions of only 100 million slum dwellers – about 5 percent of the projected

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growth? This target lacks any analytical or normative justification. And indeed, the situation is worse, because it ignores the fact that by 2003, UN Habitat had estimated that the existing slum population to be about 900 million persons.

This article examines the MDG #7 Target 11 from the broader perspective of considering the urban challenge within the context of development processes and strategies. Part I will present this broader context, with the suggestion that the urban dimensions need to be considered in terms of how the levels and composition of urban incomes and production affect development processes and the achievement of other MDGs. In this regard, for the MDG's to continue the practice of the international community of "entering the city through the house and the bathroom" is simply to miss the point that urban areas have become the core of most developing economies as well as the locus of an increasing share of the poor. It is thus the site of participatory processes and where equitable and inclusive development is urgently needed.

Cities and towns offer both the promise of better individual and household economic opportunities than exist in rural areas yet at the same time they have become the sites of grinding poverty and deeply inequitable access to urban infrastructure, services, and opportunities for human development. Both urban poverty and intra-urban inequality have become important motivations for urban residents to claim their rights to improved living conditions. The urban challenge is thus one of paradox: opportunity and absolute and relative deprivation. This paradox was well-recognized in the 1996 UN Habitat II Conference in Istanbul and in the Habitat Agenda document approved by UN member countries, reflecting growing awareness of the political struggle to assert human rights in an urban context.

Part I will conclude with an overview of an assessment of the role of the international aid community in addressing urban issues over the last 40 years.

Part II of the article will examine the MDG 7 Target 11 and pose the following questions: How was it selected? What does it mean? Does it meet the criteria for MDG definition proposed by Malcolm Langford?³ Using the Report, A Home in the City,⁴ prepared by the Millennium Project's Task Force on Improving the Lives of Slum Dwellers, as a proposed approach for the realization of Target 11, the article examines how the target was supposed to be achieved, by whom, and at what cost? Using extraordinary mathematical magic, the Report concluded that this target was financially feasible. How can we understand the enormous gap between the target as a normative goal and an operational target for governments and civil society actors? The article poses the question of what is the evidence about what was achieved in efforts to meet this faulty target. Finally, the article seeks to understand some of the broader consequences of the

³ Malcolm Langford, "The Art of the impossible: Framing Measurement Choices in the Post-2015 Agenda", Background paper, Governance and Human Rights: Criteria and measurement proposals for a post-2015 development agenda, OHCHR/UNDP Expert Consultation, New York, 13-14 November 2012

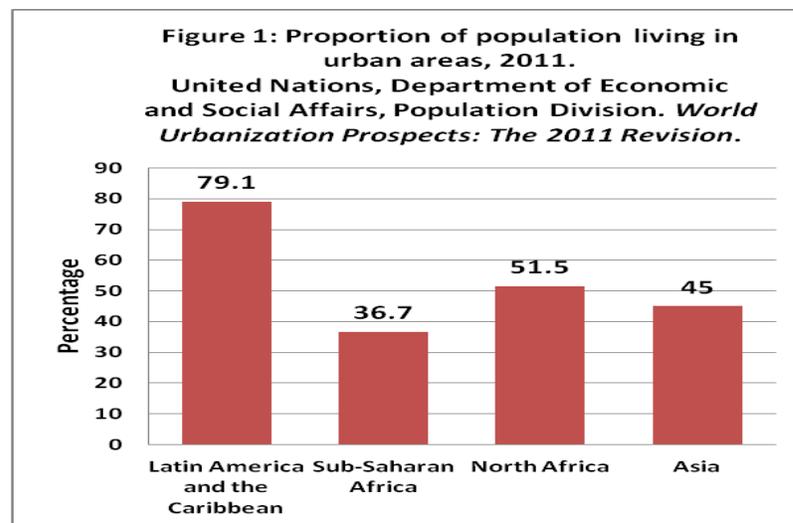
⁴ The Millennium Project Task Force on Improving the Lives of Slum Dwellers, A Home in the City, (London: Earthscan, 2005)

adoption of this target, particularly in terms of its opportunity costs, i.e. what kinds of policy attention and action did it divert which might have been used for other ends?

Part III of the article poses the challenge of defining new urban targets for the post 2015 period. It considers various criteria and options to be applied and offer several proposals for discussion.

Part I: The Urban Challenge

A. The Demographic Dimension: The City as Destination



The first step, therefore, in this argument is the recognition that since 1960 and the creation of new states in the post-colonial era, the urban population of developing countries has grown from approximately 464 million to 2.6 billion in 2010.⁵ The sources of this growth have varied across regions, depending on earlier demographic histories including rural-urban migration and fertility rates. The Latin America and Caribbean region was the most urbanized in 1960 and has reached the threshold of 79.1 percent of its population living in urban areas by 2011, as shown in Figure 1.⁶

Other regions such as Africa and South Asia have urbanized more slowly, but large and continuing migratory flows from rural to urban areas has meant that these regions also have significant urban populations. The key demographic change in this period is that whereas some

⁵ United Nations, Department of Economic and Social Affairs, Population Division. *World Urbanization Prospects: The 2011 Revision*. CD-ROM Edition, 2012.

⁶ Ibid.

70 percent of urban growth in 1970 could have been attributed to migration, with 30 percent for natural increase, these figures changed and by 1990, half of urban growth could be attributed to natural increase.⁷ Studies by the US National Academy of Science⁸ and the UN Population Fund have corroborated these earlier findings and projected forward, agreeing that the likely increase in urban population in developing countries between 2000 and 2020 would reach the 2 billion number, bringing the total up to 4.6 billion. The earlier argument that people could be dissuaded from coming to cities is no longer tenable. They are already urban residents.

These studies have also noted two important features of this aggregate demographic growth. First, not all growth would be in so-called mega-cities, but rather would take place in secondary centers, as shown in the case of China which has more than 100 cities over one million people. Secondly, these cities typically share the characteristic that, while smaller than their country's primate city, they have a smaller proportional share of infrastructure stock to rely on as well as weaker institutional capacity to manage the challenges of growth.

B. The Economic Dimension: Cities as the Locus of Productivity, Value Creation, and Income Generation

As suggested above, cities offer the potential of economic opportunity. Historically, as an increasing share of the total population of a country's population lives in urban areas, GDP increases.⁹ This is more than an accidental correlation, but rather a clear relationship between the efficiencies and productivity of agglomeration economies and location. Agglomeration when accompanied by growing density and proximity allows the reduction of costs of production of goods and services and growing consumption by an ever-wealthier urban labor force. The process of value creation itself is a quintessential process of bringing factors of production together in time and space. Economies of scale generate higher productivity as shown in studies in Brazil which concluded that productivity increased roughly 1 percent for every 10 percent increase in the number of workers employed in an industry or in a city. This is a very large increase, reflected, for example, in the conclusion that by growing from a city of 1,000 workers to one with 10,000 workers, productivity would increase by a factor of 90.¹⁰ Over time, economic growth at the aggregate level is thus closely associated with the urban percentage of total population. Historically, "it is extremely rare to achieve per capita incomes above

⁷ Samuel Preston, "Urban Growth in Developing Countries: A Demographic Reappraisal", Population and Development Review, 1 Volume 5, No.2, 1990, pp. 195-215

⁸ US National Academy of Sciences, Cities Transformed: Demographic Change and its Implications in the Developing World, (Washington: National Academy of Sciences, 2003)

⁹ World Bank, Reshaping Economic Geography, World Development Report 2009, (Washington: The World Bank, 2009)

¹⁰ Work of Vernon Henderson in Brazil in 1986 cited in Spence, Annez, and Buckley, op.cit., p.15

US\$10,000 (in purchasing power parity terms) before half of the population lives in the cities.”¹¹ All high-income countries are 70-80 percent urbanized.¹²

The other important and rarely recognized fact is that most countries now generate about 60 percent of their GDP in urban-based economic activities.¹³ In 109 countries with populations over one million, both urbanization and per capita income growth rose between 1960 and 2003; in the majority of these countries, income per capita grew more rapidly than urbanization.¹⁴ Projections for future economic growth in all countries demonstrate that the trend towards greater concentration of economic activity will occur in urban areas of all sizes. The 2011 Report of the High-Powered Group on Urban Infrastructure of the Planning Commission of the Government of India concluded that the urban share of the Indian GDP had increased from 37.7 percent in 1970-71 to 62-63 percent in 2009-2010, with the expectation that 75 percent of GDP will come from urban activities in 2030.¹⁵ A final important conclusion from multi-country studies is that even in the rare countries in which urbanization occurred without growth, there is little evidence that urbanization exacerbated poverty.¹⁶

Despite these strong correlations between economic growth and urbanization, it is important to also note the impact of urban inefficiencies on employment and income generation and the urban spatial form of the city itself. For example, a now classic study in Lagos, Bangkok, and Jakarta in the late 1980s demonstrated that, in the absence of reliable public infrastructure services such as water supply, electricity, sanitation, transport, and solid waste collection, small and medium-sized enterprises spent 35 percent, 20 percent, and 12 percent respectively of their gross capital investments in providing their own services. These high shares of investment devoted to infrastructure meant that service deficiencies heavily impeded the growth of firms, formal employment, and thus the productivity of capital.¹⁷ One result of these deficiencies and costly formal sector employment growth is the high degree of urban informality in most countries in the developing world.

These high costs for firms are further reinforced for workers through the lack of adequate public infrastructure in areas such as urban transport. Studies of urban transport in Johannesburg and Ciudad Juarez have shown that residents often pay over 25 percent of their monthly incomes on urban transport. Well-documented patterns of de-densification of urban areas since 2000

¹¹ Commission on Growth and Development, The Growth Report: Strategies for Sustained Growth and Inclusive Development, (Washington: The Commission on Growth and Development, 2008), pp.57-58

¹² Spence, Annez, and Buckley, op.cit., p.x

¹³ Michael A. Cohen, Urban Policy and Economic Development: An Agenda for the 1990s, (Washington: The World Bank, 1991)

¹⁴ Spence, Annez, and Buckley, op.cit., p.7

¹⁵ Government of India, Planning Commission, Report of the High-Powered Group on Urban Infrastructure, (Delhi: Planning Commission, 2011)

¹⁶ Spence, Annez, and Buckley, op.cit., p.8

¹⁷ Alex Anas, Kyu Sik Lee, and Taik Oh., “Costs of Infrastructure Deficiencies for Manufacturing in Nigerian, Indonesian and Thai Cities”, Urban Studies, Vol. 26, No. 12, November 1999

show that the costs of urban residence in all regions are increasing and what might be termed the spatial efficiency and spatial equity of cities are further declining.¹⁸

C. The Poverty and Inequality Dimension

Even with the economic improvements associated with urbanization, the most visible indicator of rapid urban growth has been the vast increase in slums, with some cities in Africa and South Asia having more than 80 percent of their populations living in settlements without clean water supply, sanitation, electricity, clinics, schools, or other services.¹⁹ A critical feature of these slums is a lack of secure land tenure and occupancy for millions of urban households, who face the prospect of forced eviction in many cities. While slums have been the most visible indicator of urban demographic and spatial growth, they are in fact a much more complicated consequence of multiple factors, including failed urban housing and land use policies at national and municipal levels, anti-poor building codes, inadequate financial resources, and the spatial preferences of poor households to locate with access to employment. There is thus a distinction between “income poverty” and “housing poverty”, a distinction which proves to be important, as shown later in this article, in targeting urban poverty by targeting slums. Some middle income people live in slums because they are the best located and available housing choices they have.

Analytically, one of the most striking features of cities in developing countries is the high degree of intra-urban inequality, most frequently based on location. Cities demonstrate patterns of cumulative causation whereby the lack of legal land tenure implies a lack of infrastructure services such as water, power, and transport, as well as social services. A study of municipal public expenditures in 23 school districts in Buenos Aires from 1991 to 1997 showed that 11 percent of the population received 68 percent of public investment in infrastructure and social services. This pattern correlated strongly with the level of unsatisfied basic needs as well as urban environmental hazards.²⁰ The study concluded that intra-urban inequality was largely a local product and that life chances were closely correlated with zip codes.

D. The City as a Site of Vulnerability

If the issues of climate change and crime are added to the problems of urban poverty and intra-urban inequality, it becomes increasingly obvious that the urban poor occupy geographies of risk and are increasingly vulnerable to a cumulative set of risks. These risks come from so-called natural disasters, new forms of variable weather patterns, as well as crime and gender-based violence. These risks have been recently evident in the flooding in Bangkok, the monsoon

¹⁸ Solly Angel, *Making Room for a Planet of Cities*, (Washington: Cities Alliance, 2012)

¹⁹ UN Habitat, *Global Report on Human Settlements 2003: The Challenge of Slums*, (London: Earthscan, 2003), or Mike Davis, *Planet of Slums*, (London: Verso Books, 2005?)

²⁰ Michael Cohen and Dario Debowicz, “The Five Cities of Buenos Aires: An Inquiry into Urban Poverty and Inequality”, in Saskia Sassen, ed. *Encyclopedia of Sustainability*, (Paris: UNESCO, 2004)

rains in Mumbai, or in the wake of Hurricane Katrina in New Orleans.²¹ Physical risks are compounded by economic, social, health, and environmental risks which further constrain incomes and upward social mobility. Crime and violence, including gender-based violence as seen in the murderous rapes in New Delhi, tend to be geographically concentrated as well.

All of the above considerations suggest that the arenas for addressing many of the Millennium Development Goals are in fact in urban areas of all kinds. This raises the analytical and normative challenge of identifying how this complexity through multiple forms and channels of causation can be translated into an urban MDG for the future.

Before examining the historical basis of the current MDGs, it is also important to acknowledge the existing record of both the international community and its national and local counterparts at the country and city level in addressing urban issues. Taking as a starting point for the international record the Board approval by the World Bank of its Urbanization Sector Working Paper in 1972, it was possible by 2000 to identify urban-related projects in 11,000 cities and towns in the developing world.²² Projects in 7,000 sites were financed by the World Bank Group, either the World Bank or the International Development Association (IDA). These include projects addressing housing, water supply, sanitation, drainage, urban transport, education, health, urban environment, and municipal management. The World Bank lent about US\$60 billion to developing countries for these projects between 1972 and 2000. The remaining four thousand projects were financed by other multi-lateral institutions or bi-lateral agencies, particularly USAID, German, Japanese, French, or British aid.

In most of the World Bank-funded cases the projects achieved their physical objectives in that facilities were constructed. Many also included urban policy changes focused on helping the urban poor through various kinds of conditionality including making building codes more affordable for the poor and phasing out subsidized housing for middle and upper classes. However, according to the World Bank's own Operations Evaluation Department, the sustainability of a significant share, perhaps 35 percent, of these projects was not achieved to the degree intended at the time of loan approval.²³

However, in hindsight, the most notable aspect of this experience was the choice of entry point to the city: through housing and residential infrastructure, or less elegantly, through the house and the bathroom. While these entry points reflected the requests of governments as well as the understanding of the urban sector by donors - and in many cases they were targets of opportunity - and also the priority for many national and local civil society organizations, they are notable in their relative neglect of the productive side of the city including the urban

²¹ UN Habitat, Enhancing Urban Safety and Security, Global Report on Human Settlements 2007, (Sterling, Virginia: Earthscan, 2007)

²² Michael A. Cohen, "Urban Assistance and the Material World: Learning by Doing in the World Bank"; Environment and Urbanization, Volume 13, No.1, April 2001; pp.37-60

²³ World Bank, Annual Reviews of Operations Evaluations, 1985-1999

economy and how labor, capital, land, and technology came together to create value, jobs, and incomes for hundreds of millions of urban residents on all continents. Over time this shelter and infrastructure-oriented perspective of development assistance evolved into a concern with municipal management, with city-wide infrastructure, and in the 1990s, into a concern with the efficiency of markets, particularly for housing and land.

If this perspective was a reflection of the urban staff of these institutions, including many architects and urban planners, it also was an indicator of the reluctance of the managers of these institutions to consider their “urban portfolios”, whether at the country or city levels. So, for example, in 1980 the World Bank had more than 20 ongoing projects in both Jakarta and Manila, but there was no designated individual or unit responsible for managing these “city portfolios”. This was also complicated by the fact that many other sector units, for example industry or transport, were in fact working in these cities but their activities were not internally classified as “urban”. They were industry or transport projects.

This partial view of what was in fact “urban” therefore contributed to the relative ignorance of the macro-economists as well, who simply did not think about the “urban economy”. There was no whole. It was all in parts.

Finally, by the 1990s, the terms of the debate widened, first on the economic side with the 1991 publication of the urban policy paper by the World Bank which changed the terms of the debate by introducing improving the productivity of urban-based economic activities as a policy goal.²⁴ It focused on the significant role of these activities in GDP, in almost all cases being over 50 percent of the total. And secondly, on the governance side through the Habitat II Conference which officially included a much wider segment of civil society organizations and local governments in the debates about the Habitat Agenda. By the mid-1990s, the urban agenda was broadening and beginning to be seen as increasingly integral to the development agenda and not just a “low-cost housing agenda” of the architects.

Through this period there was a significant strengthening of the role and voice of civil society organizations urging urban policy change, particularly for land rights for the urban poor. These organizations operated largely at the national and local levels, but also became important forces in the international debates, arguing that slums and land rights should be the focal points for action intended to help the urban poor. International land rights campaigns supported by UN-Habitat were complemented by the growing power and activities of Slum Dwellers International (SDI) and the Asian Coalition for Housing Rights (ACHR) which built on efforts in India, Thailand, and the Philippines, among other Asian countries, as well as the Housing International Coalition (HIC) which was particularly active in Latin America.

Part II. MDG Target:

²⁴ Michael A. Cohen, Urban Policy and Economic Development: An Agenda for the 1990s, (Washington; The World Bank, 1991)

How was the MDG 7 Target 11 Set? And by Whom?

Given the above, what was needed in 2000 was a target to help world policy-makers understand that urban was a core issue in national economic growth and in the reduction of poverty and inequality. Instead, MDG 7 Target 11 was articulated as follows:

“Have achieved by 2020 a significant improvement in the lives of at least 100 million slum dwellers.”

As noted above, this target narrowly focused global attention on slums as the key indicator with regard to urban areas. Once again, it entered the city through the house and the bathroom. Its origins lie in the international discussion of urban issues in the mid-1990s starting with the Habitat II Conference. While the Habitat Agenda adopted by UN member countries mentioned slums, as noted above, the Habitat Agenda was actually more notable for its initial efforts to widen the urban debate at the international level. This reflected the heavy participation of civil society organizations at the Istanbul conference and the intensity of the dialogue between the official conference and NGOs. That event, however, did raise global consciousness about urban issues, particularly slums, and led to calls for better coordinated international efforts to address urban problems. It therefore established the political basis for what became the Cities Alliance which was launched in the late 1990s. The Cities Alliance was a coalition of the World Bank, UN Habitat, UNDP, numerous bi-lateral agencies, and selected governments with political stakes in the international urban debate, including Brazil, South Africa, India, and Kenya.

A central substantive element of the Cities Alliance was the programmatic objective to improve slums, or in the language of urban assistance, to “upgrade” slums, i.e. to introduce infrastructure and social service improvements along with secure land tenure and housing improvements. This led to the slogan “Cities without Slums” which was adopted by UN Habitat when it established a Slum Upgrading Facility intended to provide finance for pilot slum upgrading schemes and more broadly as a way to mobilize global support for the upgrading of slums. This slogan built on the earlier designation in 1982 by the UN General Assembly that 1987 would be the International Year of Shelter for the Homeless.

While the international community was quite self-satisfied with the creation of the Cities Alliance in the late 1990s and its diversified financial support for its two programs: Slum Upgrading and City Development Strategies, in fact it represented a significant narrowing of the agenda established by the Habitat II Conference. The location of the Cities Alliance inside the World Bank headquarters in Washington was intended to encourage close coordination between the technical assistance role to be promoted by the Cities Alliance with the modest, but growing urban project lending program of the World Bank. Given these developments, it is not at all

surprising that there should have been some convergence of international agency support around a target for slum upgrading as the “urban MDG”. But it resulted in more focused attention on slums and less on the broader urban agenda which included the economic role of cities, environmental impacts, and governance.

Marie Huchzermeyer, a South African urban researcher, has written:

“While promoting informal settlement upgrading, the Cities Alliance was launched with the slogan ‘*Cities Without Slums*’. This slogan appeared in the title its inaugural publication: *Cities Alliance for Cities Without Slums: Action Plan for Moving Slum Upgrading to Scale* (World Bank and UNCHS [Habitat], 1999). This action plan challenged “donors, governments and slum communities to improve the lives of 5-10 million slum dwellers by 2005 and 100 million by 2020” (World Bank and UNCHS [Habitat], 1999:6)²⁵ ...

... In 2000, the United Nations General Assembly adopted the Cities Alliance ‘slum’ target, with reference to the ‘*Cities Without Slums*’ slogan, into the Millennium Development Project: “By 2020, to have achieved a significant improvement in the lives of at least a 100 million slum dwellers as proposed in the ‘Cities Without Slums’ initiative” (UN, 2000: 5). In 2001, this became Millennium Development Goal (MDG) Seven Target 11²⁶.

Disturbingly, she also observes that the ambiguity of this target and how it was communicated by the UN and UN Habitat led to the understanding by some governments, such as South Africa and Kenya, that slums should be demolished altogether, rather than being upgraded.

Definitional Problems with the Target:

As noted in many writings about the MDGs, there has been a reasonable emphasis on identifying a normative goal which could be understandable at the global level and not require extensive explanation. Declaring that the target was to improve the living conditions of a large number of slum dwellers therefore would seem appropriate and non-objectionable. However, five aspects of this target have been problematic from the outset, particularly as it is translated from a normative goal to an operational target:

- **First, what is the meaning of significant improvement?** As recognized in the Millennium Project Task Force, improvement was left deliberately vague and could include improvements in housing, water supply, sanitation, health, education, or other services. This was intended to allow different local interpretations and to encourage so-

²⁵ Marie Huchzermeyer’s, “Slum Upgrading and Slum Eradication under MDG Seven, Target Eleven”, (draft) 2011: 3. Accessed online, <http://www.ru.ac.za/media/rhodesuniversity/content/politics/documents/Huchzermeyer-draft%20paper%20for%20Rhodes%20seminar-1.pdf> .

²⁶ Ibid.

called local solutions. Its main faults, however, are that it is impossible to rigorously determine whether these improvements are “significant,” and it is impossible to hold any specific institution accountable for whether the target was achieved or not.

As this article will show, evidence cited in 2012 by the United Nations to assert that the target had already been achieved is a mix of various studies about different types of improvement. Whether one improvement is more “significant” than another is impossible to determine and indeed, such claims imply different theories of causality between improved services as inputs and improved outcomes which are not specifically defined.

The other point is that the meaning of “slum” itself is relative, because what may be a slum in one city, for example in a rich country, may not be considered a slum in a poor country. Moreover, one could argue that all cities will forever have slums, because those housing units which are inferior in quality to others will be described as “slums” in a local language whatever it may be.

- **Secondly, what is the basis of choosing the figure of 100 million slum dwellers as a significant number of people within a broader global number of slum residents?** Thus far I have been unable to find an explicit justification of this number. While 100 million sounds like a big number and, therefore, might be assumed by the general public to be “significant,” it is a small portion of the existing slum population for which there were many estimates around this time as shown below.

This issue of proportion is therefore highly questionable. Why choose 5 percent of growth or 11 percent of the existing slum population? Why not choose 20 percent or 50 percent? This simply is not discussed, leaving the 5 percent without justification.

- **Thirdly, what about the definition of slum itself?** The following definition of slums which was developed by the UN Statistical Office and the Cities Alliance was:

“Slum households were defined as a group of individuals living under the same roof lacking one or more of the following necessities: access to improved water, access to improved sanitation facilities, sufficient living area, structural quality and durability of dwellings, and security of tenure”.²⁷

Building on the observations made above that the word slum itself is a relative and not an absolute term, this definition does not carefully specify what is meant by any of the following key words in the definition itself: “access”, “improved”, “sufficient”, “structural quality”, “durability”, or “security”. Again,

²⁷ Millennium Project, [op.cit.](#), p.12

it is therefore impossible to rigorously verify whether any of these so-called significant improvements have indeed taken place.

- **Fourthly, the lack of specificity of the definitions underlying the target and the target itself may permit public understanding, but it completely undermines accountability and any evidence-based assessment of whether the target was achieved.**
- **Fifth, the choice of the slum dwellers improvement target ignores any other urban-related indicator which might be a better indicator of improvement in urban welfare.** This issue will be addressed in Part III of this article.

Planning for Achieving the Target

Given the problems with the definition of the target itself, the Millennium Task Force had a difficult time in trying to further specify how it might be achieved. While the Report has no official status, it is interesting as an example of the state of the dialogue among some very respected and knowledgeable experts in the urban field. The Report provides a view of the thinking which was supposed to provide the foundations for achieving the goal, including recognizing the urban poor as active agents in development, supporting and enacting pro-poor policies, mobilizing resources and investments, empowering local action, and investing in the target to improve the lives of slum dwellers²⁸

The contents of the Report basically convey the message: do more of the same or do more of what is best practice now. The Report notes that there are numerous examples of successful slum upgrading projects around the world and these projects need to be increased in scale to reach larger populations. The problem with this approach is that it relies on massive effective collaboration between municipal governments and many community-based organizations in cities in developing countries. This is surely worthwhile and could result in somewhat improved community infrastructure, more secure land tenure and occupancy for the urban poor, and housing improvements. But it does not address two key problems affecting slum populations.

The first problem is the lack of trunk infrastructure in water supply, sewerage, electricity, and paved roads which are needed to allow on-site infrastructure networks to be put in place in slum communities. The on-site efforts led by communities and self-help organizations are necessary but not sufficient conditions to achieve improvement. Related to this problem is the lack of attention to environmental conditions and other negative externalities which affect slum

²⁸ The Millennium Project Task Force on Improving the Lives of Slum Dwellers, A Home in the City, (London: Earthscan, 2005)

communities, many of which are located on land which is vulnerable to flooding and other problems.

The second big problem with this approach is that while it responds to the immediate on-site physical needs of slum dwellers, it does not address the issue of income and employment generation which is needed to allow individuals and households in these communities to be able to afford these improvements. Given the state of global, national, and local public finance, it is unlikely that these infrastructure networks will be financed and/or subsidized by public funds. Addressing the income side, therefore, is critical to achieving large scale material improvements for slum dwellers.

Raising this issue also poses the question of causality with regard to which comes first, services or jobs? Improving services will enhance the health and welfare of the slum population and allow them to be more effective workers and income earners, while generating employment and incomes will provide the financial resources to permit investment in needs infrastructure services and housing improvements. The causality goes in both directions. But strategically, is one approach better than the other, or more realistic than the other?

Here it seems to me that to argue that “cities without slums’ is the objective is to misunderstand that the very origin of the city, as noted at the beginning of this article, is in its role as a site for value creation. If we agree that a slum is a relative concept and not some absolute definition, cities without slums will be impossible to achieve because there will always be some housing units and communities with worse service and conditions than others. On the other hand, if we accept the proposition that “cities without jobs” are simply impossible, i.e. if urban residents do not have incomes they cannot survive, then it would seem that a more firmly based strategic choice is to work on the productive side of the city, generating jobs and higher incomes. This position does not imply “trickle down” or anti-poor policies, but rather simply recognizes that without income survival is impossible. A more robust urban MDG, therefore, would include income and employment. Some preliminary suggestions in this direction are presented in Part III of this article.

Before thinking ahead about an improved urban MDG for the post-2015 period, it is also important to examine the proposal of the Millennium Project Task Force on how even the improvements for 100 million slum dwellers target might be financed. The Task Force Report includes some detailed analysis of the cost and financing side of this problem and also discusses how both the existing backlog of slum dwellers and the expected increment to 2020 might be addressed.

Chapter 8 of the Report suggested that the upgrading of slums and providing alternatives to the formation of new slums for the period 2005-2020 would cost about US\$293.5 billion. This amounts to “just US\$440 per person” and would improve the lives of 670 million current and

potential future slum dwellers.²⁹ This figure assumed that 30 percent of the investment would come from small loans to residents, 10 percent from the residents themselves, and developing country governments would have to contribute US\$176 billion over the 15 year period, equivalent to US\$260 per person.³⁰ The Report placed this resource picture into the aid context and suggested that donors might provide 30 percent of this amount, or US\$88.1 billion or US\$5.5 billion a year, which would amount to about 8 percent of the annual Official Development Assistance amount of US\$68.5 billion in 2003.³¹ All of these numbers might be reasonably questioned with regard to the assumptions about the source of loans, the revenue for government spending, and continued high levels of development assistance in light of the global financial crisis.

If these are the global financing estimates, the cost estimates underlying them are even more questionable. The cost estimates used in the Report are based on a series of estimates starting with the Cities Alliance in 1999 of US\$500 per person which was included in the We the People Report of the UN Secretary-General in 2000.³² The estimates are further based on a 2004 study by UN Habitat which put the figure at US\$74 billion, with US\$740 per person costs for upgrading and \$926 per person for new low-cost housing and related infrastructure and services, net of cost recovery.³³ The Report then goes on to suggest how costs can be reduced through “assisted self-help” and concludes that the overall cost would be US\$66.5 billion or just US\$42 per person. Regional tables on costs, however, show great differences and indicate what are clearly ridiculous numbers, for example, that land transfer in Latin America would cost only US\$7 per person.³⁴ The ranges in these costs are very large, even when aggregated to the regional level. The Report then makes a heroic leap in using the cost estimates of projects in Honduras, El Salvador, and Nicaragua as the basis of global estimates.³⁵ How the prices in these small cities in small countries could be readily compared to land prices in the crowded megacities of South and East Asia is hard to explain.

All of this suggests that the numbers included in the global estimates for making the physical improvements as assumed for MDG 7 Target 11 bear little relation to reality and cannot be taken seriously.

What Has Been Achieved?

The next question to be addressed in Part II of this article is what has been claimed as achievement of the target?

²⁹ Millennium Project, op.cit., p.118

³⁰ Ibid., p.119

³¹ Idem.

³² Ibid., p.120

³³ Joe Flood for UN Habitat, 2004, quoted in Ibid., p.121

³⁴ Millennium Project Task Force, op.cit., p.128

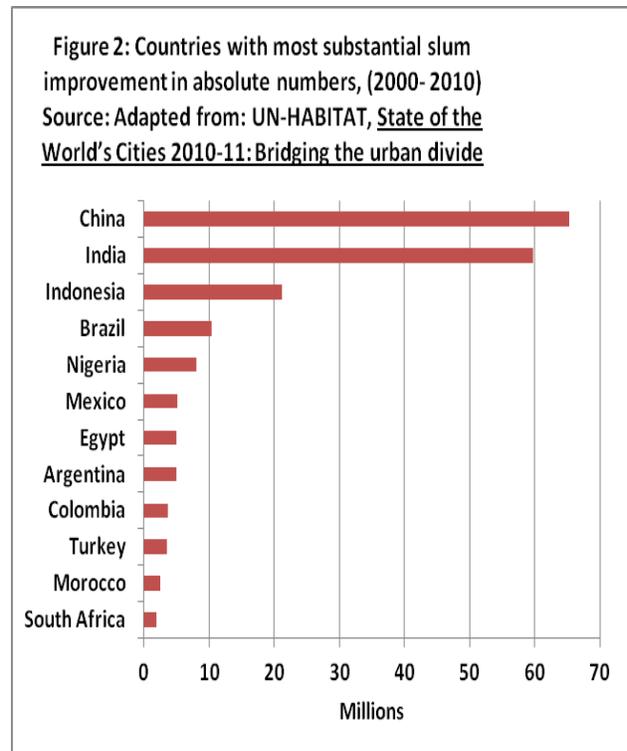
³⁵ Ibid., p.133 and p.134

In UN Habitat's State of the World's Cities 2010/2011 Report: Bridging the Urban Divide, the agency reports that:

“227 million people in the world have moved out of slum conditions since 2000, meaning governments have collectively surpassed the Millennium Development target by 2.2 times”... The Report says that the 22 million people in developing countries that moved out of slums each year between 2000 and 2010 was the result of slum upgrading....While welcome, the overall reduction in the world's urban divide still requires greater effort since the “absolute number” of slum dwellers has actually increased from 776.7 million in 2000 to some 827.6 million in 2010. This means that 55 million new slum dwellers have been added to the global urban population since 2000. “The progress made on the slum target has not been enough to counter the growth of informal settlements in the developing world,” UN-HABITAT says. In this sense, the report says, efforts to reduce the number of slum dwellers, and the urban divide at its most unacceptable, are neither satisfactory nor adequate, especially when considering that 50.6% of the world's population (or 3.49 billion) now live in urban areas.³⁶

These overall figures are questionable from the perspective that if the urban population in developing countries has increased by about 70 million per year for ten years, how is it possible that the slum population only grew by 55 new slum dwellers? Even if this reflects the improvement of the alleged 227 million people who moved out of slums from 2000 to 2010, this would leave about 473 million more new urban residents who would have had to have found non-slum housing in this period.

UN Habitat further reported improvements in specific countries such as Morocco (45.8% reduction in slum prevalence between 2000 and 2010), Egypt (39%) and Tunisia, with mention of China (25%) and India (32%) as well.³⁷ Progress made by Latin American countries as well with Argentina, Dominican Republic and Colombia leading in terms of slum reduction in the region. The data in Figure 2 represents countries that have had notable success in slum improvement in absolute numbers.



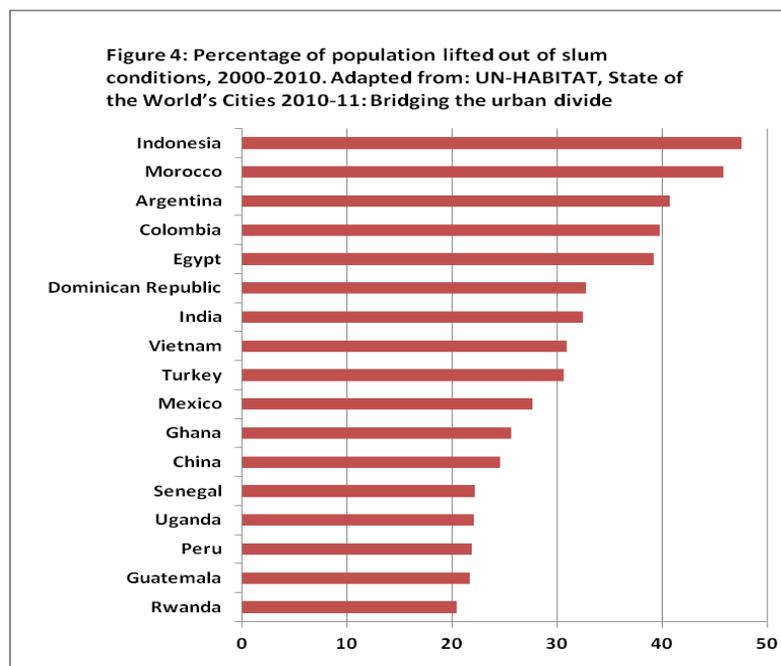
³⁶ UN Habitat, UN-HABITAT “State of the World's Cities 2010/11: Bridging the Urban Divide”, 2011. Accessed online <http://www.unhabitat.org/documents/SOWC10/R1.pdf>

³⁷ Ibid.

Figure 3: Proportion of urban population living in slums, 2000 and 2012 (percentage). Adapted from United Nations, Millennium Development Goals Report 2012, (New York: United Nations, 2012).

Region	2000	2012
Sub-Saharan Africa	65	62
Southern Asia	46	35
South-Eastern Asia	40	31
Eastern Asia	37	28
Western Asia	21	25
Oceania	24	24
Latin America and the Caribbean	29	24
North Africa	20	13
Developing Regions	39	33

Two years later, in 2012, the Millennium Development Goals Report³⁸ states that the percentage of the urban population living in slums in developing countries has declined from 39 to 32 percent from 2000 to 2012, with 200 million people receiving improved water supply in this period. It notes however that the number of people living in slums has increased from 650 million in 1990 to 760 million in 2000 to 893 million in 2012.³⁹



³⁸ United Nations, Millennium Development Goals Report 2012, (New York: United Nations, 2012)

³⁹ *Idem.*

Collateral Consequences of the Target

Beyond the questions about the data purporting to show that the target was achieved, indeed exceeded, there is also the central issue of how the target diverted global attention away from the urban issues raised at Habitat II which included the economic role of cities, environment and the contribution of cities to climate change, and the difficulties of improving urban governance. While the target may have helped to consolidate global awareness of the problem of slums, this awareness came at the cost of dramatically under-estimating the scale of the problem and therefore, the need for urgent remedy.

So despite this caveat about raising awareness of the slum issue, it is apparent that the opportunity costs of adopting Target 11 were enormous and continue to have major consequences. Rather than advance public understanding of how urban issues are integral to development performance in many sectors, the urban challenge was reduced to an issue of living conditions in slums.

This reductionism is reflected in the national policies of many countries after 2000 and is vividly seen in the orientation of macro-economic stimulus packages in response to the global economic crisis after 2008. A study of stimulus packages demonstrates that in most countries, both industrialized and developing, the location of public spending for stimulus purposes was not in cities where larger economic multipliers might have been activated. Instead, for example, infrastructure spending frequently went to rural areas where some rural employment was created, but the macro-economic benefit of investment was far below what was possible.⁴⁰

A second very serious impact of this narrow view of the urban was the fact that the climate change discussions of the first decade of the 21st century have largely ignored the fact that cities contribute about 70 percent of greenhouse gases. Therefore any serious effort to address climate change must also involve urgent changes in policy and practice in how cities use energy, how building technologies must be changed, and how environmental impact statements must be now understood to be focused more on “global environment” rather than just “local environments”. This policy conclusion, therefore, is now widely accepted. However, it was delayed in its formulation by the fact that urban issues were so narrowly defined by the international community.

⁴⁰ Michael A. Cohen, “The city in the global crisis: understanding impacts and strengthening the performance of stimulus packages”, in Michael A. Cohen, ed., The Global Crisis in Latin America: Impacts and Response, (London and New York: Routledge, 2012), pp.137-155

Both of these examples suggest that the urban is far more important than slums. It is indeed about national economic welfare and global survival. In fact, other MDGs also rely on the economic productivity of urban areas as a basis of generating the incomes and public revenues needed to provide the services implied by their achievement. Other MDGs, for example in health or education, depend heavily on revenue sources for which the overwhelming majority originates in urban areas.

Part III. Identifying a New Urban Target for Post 2015

Given the imprecision, analytic confusion, and policy misinterpretations of Target 11, it would be useful to try to develop a new urban target for the post 2015 period. The following criteria should be considered in this exercise:

- The target should not be linked to housing, but rather to some aspect of the income generation, employment, and productive side of urban life.
- The target should be relational, i.e. in terms of how the above aspects about people is related to the spatial dimension of the city, thereby permitting some assessment of how well a specific urban area is functioning in terms of efficiency and equity.
- The target should also be sensitive to exogenous processes such as cycles in the global economy.
- The target should capture the fact that different countries and cities will have different starting points in 2015, including levels of urbanization, GDP, resource endowments, and institutional capacities.⁴¹
- The target should embody a theory of performance and causation whose hypotheses can be tested and either confirmed or disproven.
- The target should be understandable by a general public but should be not so oversimplified as to be meaningless as in the current case.

Building a New Urban Target

Given these criteria, several approaches might be considered. For the purposes of this exercise, data availability should not determine possible targets. Rather it would be useful as a first step to assess what might be targets which respond to the criteria listed above.

Approach 1: Income Targets

⁴¹ Hollis Chenery, "Alternative Strategies for Development", World Bank Staff Working Paper, (Washington: The World Bank, 1971)

A first approach could be a target such as urban income which might be related to the urban Gini coefficient and the level of average urban income or the level of urban income at the 20th percentile in order to focus on the urban poor. The intention here would be to capture both the distribution and level of urban incomes.

Approach 2: Employment Targets

An employment target might also capture urban welfare by focusing on the share of the urban population in a city with steady income flows. A target which sought to include the dimension of informality versus formality would be complicated by the multiple definitions and caveats about definitions of informality and the nature of incomes and employment.

Approach 3: Stock-Flow Relational Targets

Building on the seminal work of Shlomo Angel and Stephen Mayo in the 1990s in the housing sector,⁴² some kind of ratio might be developed, such as the ratio developed by Angel and Mayo of the average rent to average income ratio. This ratio shows the level of expenditures in rent of households on rental housing in relation to the overall city-wide level of rents for the housing sector as a whole. This not only allows capturing individual household behavior as flow, but relates it to the rents of the stock of rental housing. In so doing it addresses affordability but also the efficiency of the housing market.

Approach 4: Infrastructure in relation to the productive side of urban economy

Indicators might include availability of infrastructure for employment-generating enterprises, such as the percentage of enterprises with access to public water supply, sanitation, electricity, or transport. This builds on the work of Kyu Sik Lee and his colleagues and studies of Lagos, Bangkok, and Jakarta.⁴³ It connects the physical side of the city to the capacity to generate urban employment and incomes.

Approach 5: Spatial factors in relation to urban employment and incomes

An indicator might be a ratio of the percentage of household income used for urban transport over the level of income at the 20th percentile. This could capture the notion of people moving through space as part of earning incomes and the availability of transport services in relation to levels of urban incomes. For example, studies show that some poor households in Johannesburg spend over 20 percent of their incomes on urban transport and a World Bank study

⁴² Shlomo Angel, Housing Policy Matters, (London and New York: Oxford University Press, 2001) and Stephen Mayo and Shlomo Angel, Enabling Markets to Work: World Bank Housing Policy Paper, (Washington: World Bank, 1993)

⁴³ Anas, Lee, and Oh, op.cit.

in the 1990s showed that poor households in Ciudad Juarez in Mexico spent 29 percent of income on transport to work.⁴⁴

All of these options obviously require more thought and elaboration, but they suggest a line of inquiry and formulation which is needed to avoid the pitfalls identified in MDG 7, Target 11.

Postscript: UN Habitat Proposes Sustainable Development Goals

On December 21, 2012, UN Habitat issued a list of 11 targets to achieve the sustainable development goal: “To promote cities that are environmentally sustainable, socially inclusive, economically productive, and resilient.” These targets are broader than the slum improvement objective of MDG 7, Target 11, but they are a mixture of, in UN Habitat’s own words, “process and outcomes”. In some cases they urge adoption of policies while in others they specify outcomes without identifying who is responsible for producing those outcomes. Once again they illustrate the need for the international organizations to “say something” rather than to articulate a coherent, defensible set of goals and targets in a central sector of development.

⁴⁴ William Dillinger and others, Urban Sector Study of Ciudad Juarez, (Washington: World Bank, 1990)

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