



PANEL ON URBAN ECONOMIC DEVELOPMENT STRATEGIES¹
(Policy Unit 7)

HABITAT III OPEN-ENDED INFORMAL CONSULTATIVE MEETINGS
WEDNESDAY 27 APRIL 2016, CONFERENCE ROOM 3

10 A.M. - 11 A.M.

Introduction and moderation

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Panelists

- Miguel Luiz Bucalem, Center for Cities, University Ecuador
- Michael Cohen, Director of International Affairs Program at the New School
- Se Hoon Park, Head of the Organization for Urban Regeneration Policy, Korea Research Institute for Human Settlements, Republic of Korea
- Margaret Lombe, Associate Professor at Boston College School of Social Work, Zambia
- Bernhard Muller, Executive Director of the Leibnitz Institute of Ecological and Regional Development, Germany
- Shipra Suri, Vice President, International Society of City and Regional Planners (ISOCARP), India

In 2016, over half of the global population is living in cities and the rate of urbanization is accelerating in the developing world. Unfortunately, the economy of most cities in the developing world is not keeping pace with population growth. As a result, workers in the informal economy comprise 50 per cent or more of the workforce, enduring poor working conditions and insecure livelihoods. Under these conditions, the slum is the emerging urban form.

VISION

- Urban economic growth and development must be inclusive.
- Urban economic growth and development must occur within a strong rights framework; the right of all to the city, right of all to decent work and productive economic opportunities, and right of all to adequate shelter, infrastructure and urban services.
- Urban economic growth and development must contribute to local and national sustainable development.
- Urban economic growth and development must enable, not destroy, informal livelihoods.

¹Information Habitat III Policy Unit 7 and its Policy Paper is available at www.habitat3.org/the-new-urban-agenda/policy



In order to achieve the principles above, cities need the following enabling and supporting conditions to be in place:

- Well-governed and accountable local, regional and national institutions, business environments that are supportive of investment in formal and informal sector activities;
- Policy dialogues and partnerships between local government, private sector and civil society organisations, including organizations of informal workers, that promote investment, productive employment/decent work, wealth and security for all citizens;
- Physical and social infrastructure that strengthens productive factors and helps improve the quality of life of resident and workers;
- Support for innovation and entrepreneurship—two necessary ingredients of structural change in the urban economy that are contingent upon the educational, entrepreneurial and cultural milieu of the city.

KEY MESSAGES

- Urban economies have the potential to generate the ideas and wealth to solve some of the most pressing development challenges of our time. Their performance is critical to achieving the Sustainable Development Goals.
- A two-pronged approach is needed; cities need to address the underlying conditions that support inclusive economic development such as efficient, transparent and equitable regulatory frameworks and effective infrastructure services for all, and must proactively facilitate an economic development process with all stakeholders in the economy, and require the governance mandate and capacity for this role.
- The key challenge in urban economic development is to assist cities to generate more jobs and productive work opportunities; to enhance existing jobs and livelihoods; and to ensure that all citizens have access to income earning opportunities, all of which depend on the health of urban economies and inclusive planning processes.
- Strengthening urban economies requires the exploitation of the opportunities offered by cities to undertake investment and the improvement of urban governance.
- Local governments need to develop institutional capacity in working with all stakeholders in developing their economy and be supported in this process.

PRIORITY POLICY OPTIONS

Land Use: building a compact city

The structure of the city and its built form can profoundly affect its ability to support economic development. A compact city, that is predominantly a medium to high density built form with mixed land uses, is able to support a high degree of connectivity – movement of workers, goods, services and ideas – in a manner that is cost-effective and sustainable.



Business Support

It is essential for urban governments to actively and purposefully support the economic development process. By engaging as a stakeholder in the local economy, local government acknowledges the symbiotic relationship between its economy, the success of its business community, the standard of living of its citizens and the services it provides to the community.

Infrastructure and Service Provision

The provision of infrastructure within the city is necessary to its efficient and equitable functioning.

Support for the Informal Economy

The majority of the workforce in most developing countries is engaged in the informal workforce.

Urban Finance

A predictable, secure and substantial source of revenue is necessary for city government to support services and infrastructure at the level required for urban economic development.

Urban Governance

Good governance is an essential condition for development. It establishes many of the services necessary to support private sector investment such as water, sanitation, transportation and transit infrastructure, local markets and, in some jurisdictions, health and education services.

RECOMMENDATIONS

- Urban economic development should be seen as an intrinsic responsibility of national and local governments.
- Emphasize the need to recognize and support the working poor in the informal economy as legitimate actors in the economic development process.
- It is critical to help cities address the underlying conditions for urban economic development.
- The global community must also support the enabling conditions for employment-led urban economic development.

IMPLEMENTATION AND MONITORING

Implementation Framework:

- Engage with urban economic development stakeholders to build strategy
- Undertake Research and Analysis
- Focus Human, Financial and Physical Resources on urban economic development strategy
- Support and Celebrate Entrepreneurship in both the formal and informal economies
- Build Support from Upper Tier Governments and International Organizations
- Build Human and Social Capital within the community



GUIDING QUESTIONS FOR

PANEL ON URBAN ECONOMIC DEVELOPMENT STRATEGIES

1. Policy Paper 7 identifies the key challenge in urban economic development as assisting cities to generate more jobs and productive work opportunity; to enhance existing jobs and livelihoods; and to ensure that all citizens have access to income earning opportunities. How relevant is this characterisation from your experience and the point of view of your PU?
2. Policy Paper 7 identifies 6 priority policy options. Apart from advocating government support for business and the informal economy, PP7 looks for policy actions that fall into the space of other PUs. Do you perceive links between what is advocated in PP7 and what is proposed in your PP? How can we ensure the strengthening of these links in the NUA?
3. A major challenge for PU7 lies in the fact that recommendations should consider for all countries and target groups, though conditions they face are varying and contingent. Policy Paper 7 emphasizes local governments' role and autonomy in urban economic development, but in many developing and underdeveloped countries, especially with relatively weak governance structures, the central government with incomplete decentralization still plays a key role in providing infrastructure and even land use regulations.

Given this, how the central government can counterbalance the limited capacity of other actors or create an effective mechanism to act cooperatively? (e.g. a possible link to other Policy Units such as 1, 3, 4, and 9)