



THE STATE OF THE WORLD'S CITIES 2001



UNCHS (Habitat)

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Front Cover design based on Shelter Adequacy Indicators on page 30.

Background: Photo of Kibera, Nairobi

Foreground: New York city skyline



Back Cover: Photo of Notting Hill, London (largest urban street carnival in Europe) - Lorraine Worpole

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UNITED NATIONS CENTRE FOR HUMAN SETTLEMENTS (HABITAT)

The United Nations Centre for Human Settlements (Habitat), established after the 1976 United Nations Conference on Human Settlements in Vancouver, is the lead agency within the UN system for coordinating activities in the field of human settlements development. It serves as focal point for monitoring progress towards the implementation of the Habitat Agenda – the global plan of action adopted at the second United Nations Conference on Human Settlements (Habitat II), held in Istanbul, Turkey in 1996.

UNCHS (Habitat) promotes fundamental policies and principles to guide urban governance, worldwide, on the basis of the Habitat Agenda, Habitat's own experience and the collective experience of its partners. Habitat's main goal is urban poverty reduction – the overriding development challenge of the new millennium.

Since 1996, Habitat has been monitoring and evaluating the implementation of the Habitat Agenda using a variety of tools including best practices and urban indicators. Comprehensive analyses of urban issues are presented in the Centre's two flagship series, *The Global Report on Human Settlements* and *The State of the World's Cities*.

In addition to its advocacy and monitoring functions, Habitat plays an important role by providing technical assistance to countries and cities in the areas of shelter, governance, environmental management, disaster mitigation and post-conflict rehabilitation, urban safety, basic services and community-based development.

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FOREWORD BY THE SECRETARY-GENERAL OF THE UNITED NATIONS
KOFI ANNAN

This edition of the State of the World's Cities represents a milestone in the efforts of the United Nations to build and disseminate knowledge for policy-makers and the general public: for the first time, the city, rather than the country, is used as the basic unit of analysis.

Sustainable urban development is one of the most pressing challenges facing the human community in the 21st century. The world's urban areas are now home to nearly half of humankind. As more and more people make cities their home, cities will be the arenas in which some of the world's biggest social, economic, environmental and political challenges will be addressed, and where solutions will be found. As globalization proceeds, more cities will find themselves managing problems and opportunities that used to be the exclusive domain of national governments. And as more cities come to have populations and economies larger than those of many countries, cities will increasingly become the main players in the global economy.

If cities are hubs of dynamism, change and opportunity, they are also places of exploitation, disease and unemployment. Crime, drug abuse and pollution have increased in growing numbers of cities. New tensions are emerging between migrants and established residents, adding to already sharp divisions along class, racial and ethnic lines. In many cities, slum dwellers number 50 percent of the population or even more, with little or no access to adequate housing and basic services.

Among this report's main conclusions is that local democracy is a key factor for the future of all cities. When States treat local authorities as partners, and allow urban residents a voice in the way their streets, stores and workplaces are managed, cities are usually more efficient and livable. Such cities in turn enhance democracy nationally, and make local and national economies stronger.

The State of the World's Cities, published in conjunction with the June 2001 Special Session of the General Assembly (Istanbul + 5), aims to contribute to our collective efforts to implement the Habitat Agenda, and enable the world's cities to fulfil their great potential. Its detailed portrait of urban life at a critical juncture merits consideration by the widest possible audience.

United Nations Headquarters, New York, June 2001

ACKNOWLEDGEMENTS

Following Habitat II, the Commission on Human Settlements envisaged *The State of the World's Cities* as one of Habitat's two flagship series. Two years ago, when production of Habitat's *Global Report on Human Settlements 2001* was just underway, producing *The State of the World Cities Report 2001*, also in time for Istanbul+5, appeared impossible, and it was decided by the Commission to merge the two reports into one. Just eight months ago this decision was reversed by the United Nations General Assembly, and *The State of the World's Cities 2001* had to become a separate publication. To be based mostly on the in-house capacity of Habitat, the task became even more daunting. Now, as of June 2001, with the report produced, published, and ready for launching, it has been demonstrated that the risk was worth taking, and the confidence well placed.

The State of the World Cities Report 2001 is the fruit of true team-work within Habitat where every staff member who contributed to the coordination, concept formation, writing, editing, direction, provision of statistics, case studies and photography acted from a spirit of corporate responsibility, ownership and professional enthusiasm for a highly intensive period, despite other commitments. The spirit of ownership extended beyond the boundaries of Habitat to a global team of editors, analysts and artists including Joe Flood, Ali Turel, Ken Worpole, and Michael Jones, all of whom worked with a miraculous speed and quality.

In fact, the process by which the Report was prepared is a manifestation of globalization itself. For 100 days, during which time most of the data analysis took place, orchestration of this global activity was done from Nairobi. The databases, including those of the Global Urban Observatory, Statistics, and Best Practices, are the result of silent and patient coordination, conceptualization and implementation by UNCHS (Habitat) since the 1996 Habitat II Conference in Istanbul. Finally, the intensive analysis, writing, rewriting, editing, synthesis of all different modes of expression, graphic design and printing required the coordination of a team - geographically distributed in cities around the world, including Ankara (Turkey), London (UK), Melbourne (Australia) and Montreal (Canada) - by three professionals, in Nairobi: Jay Moor, Jos Maseland, and Christine Auclair. It was due to their commitment and scrupulous scheduling that the race against time was won and that the 'mission impossible' became possible.

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Introduction by the Executive Director of Habitat
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I take great pleasure in introducing the first edition of the UNCHS (Habitat) flagship report series, *The State of the World's Cities, 2001*. The reader will immediately notice that it is not a conventional United Nations document. In more than just subject matter it is an “urbanized” report, complex and vivid, global and local, like cities themselves. And, as with any city, beneath its exterior appearance lies much serious business as it explores the components that make up our cities, constructing a current picture of urban issues and policies around the world.

This is the Centre’s first attempt to monitor, analyze and report on major areas of the *Habitat Agenda* in terms of the realities faced by urban populations and urban policy-makers. Starting with a literal overview, *The State of the World's Cities 2001* suggests which regions and cities are strongly linked to the global economy and which may be less connected. The report touches on urban poverty and how liberalized trade and finance, without proper safeguards, make urban populations everywhere more vulnerable to external shocks. It then takes a look, region-by-region at urbanization trends and issues.

Zooming in, the report explores briefly a range of urban issues and policy responses in five all-encompassing subject areas: shelter, society, environment, economy and governance. The first and last of these are about communities and the mechanisms that people adopt to govern their daily activities and longer-term transactions. The remaining three chapter subjects will be recognized as the prime components of sustainable development as expressed in *Agenda 21*. In practical politics, decision makers often find themselves having to make difficult trade-offs among these three components at both the national and local levels.

In *The Global Report on Human Settlements*, sister series to this one, UNCHS (Habitat) explores many of these same urban issues in greater depth, offering the student of cities, the urban researcher and policy analyst an array of concepts, narratives and data sets that may be useful in pursuing specific interests in more detail. *The State of the World's Cities*, in contrast, is aimed at the reader who would like an accessible, yet evidence-based, report on current urban issues and trends around the world.

Employing, among other resources, Habitat’s Urban Indicators and Best Practices databases, this report lays in front of the reader regional comparisons of city-level analyses, a precedent in the United Nations system. This first edition of *The State of the World's Cities* series introduces the reader to the City Development Index (CDI), which should, over time, become a standard monitoring tool, used to track regional, national and city-level progress in implementing the *Habitat Agenda*.

In one other way, *The State of the World's Cities 2001* is thoroughly globalized. Its production process involved writers, graphics and layout specialists in Nairobi, technical analysts in Melbourne and Ankara, an editor in London and a printer in Montreal. This team was managed over the Internet from Habitat, in Nairobi. It will be a future goal of the Centre to expand this networked team to include more experts, analysts and other partners from all over the world in carrying out Habitat’s mission to provide timely, policy-oriented information on the state of the world’s cities.