1

FORCES SHAPING 21ST CENTURY URBANIZATION

INTRODUCTION

Population dynamics have enormous impacts on national and global development and pose particular challenges to urbanization now and in the future. There is an unprecedented diversity of demographic structures across the world, including age distribution and population growth. The growing differences between Europe, Japan and the Land-Rich Developed Countries and Sub-Saharan Africa require focus- and speed-differentiated approaches to good urbanization.

At the same time the world faces new challenges related to emerging and accelerated streams of migration, new geographies of control over rural and urban land and a stressed relationship with water, representing a 'new' history in the making. They have the potential to reshape the urban world as they will surely alter its ongoing trajectory. And as these challenges are supranational in nature, they will require a shared vision and responses that are more flexible than they have been in the past.

A massive loss of habitat is accelerating and driving new flows of migration. Emerging flows of migration point to structural changes in the areas of origin. A sharp increase in rural land acquisitions is feeding the loss of habitat, with debt servicing part of the logic of extraction. These represent a new phase of advanced capitalism. As a consequence, new and emergent flows of migrants in search of a bare life rarely have an option of return.

Another accelerating phenomenon is large-scale urban land acquisitions which are already de-urbanizing cities and undermining public control. In particular, the corporate buying of urban properties and land is taking on worrying new features.

Water is the last substantive commons on the planet. All the same, the risks caused by an excess of water require a rethinking as much as the lack of access to water. There is at the same time too little and too much water. Urban development can no longer just assume that water can be simply extracted from the ground and moved to where it is needed. There seems to be a paradoxical relationship between water-stressed cities and availability of rain, which should be recognized as a resource. But time is running out fast—radical transformative innovation is needed to fend off disaster.

The reach of human activity is now pervasive, challenging traditional notions of liberal democracy. Clearly democracy needs to evolve if it is to survive; however, new agents and non-agents are complicating the cooperation that would be required for this evolution. They are also making responsibility increasingly difficult to assign and creating a preponderance of 'veto players', all of which are leading to governance gridlock. Ultimately this means that liberal democracies the world over are experiencing a crisis of legitimacy. If they are to survive it, states will have to muster the internal coherence to resist populism and the external coherence to be more cooperative.

This section extracts from and synthesizes recent work by Alka Dev, Saskia Sassen, Jane Harrison, Henk Ovink, Dale Jamieson and Marcello Di Paola.

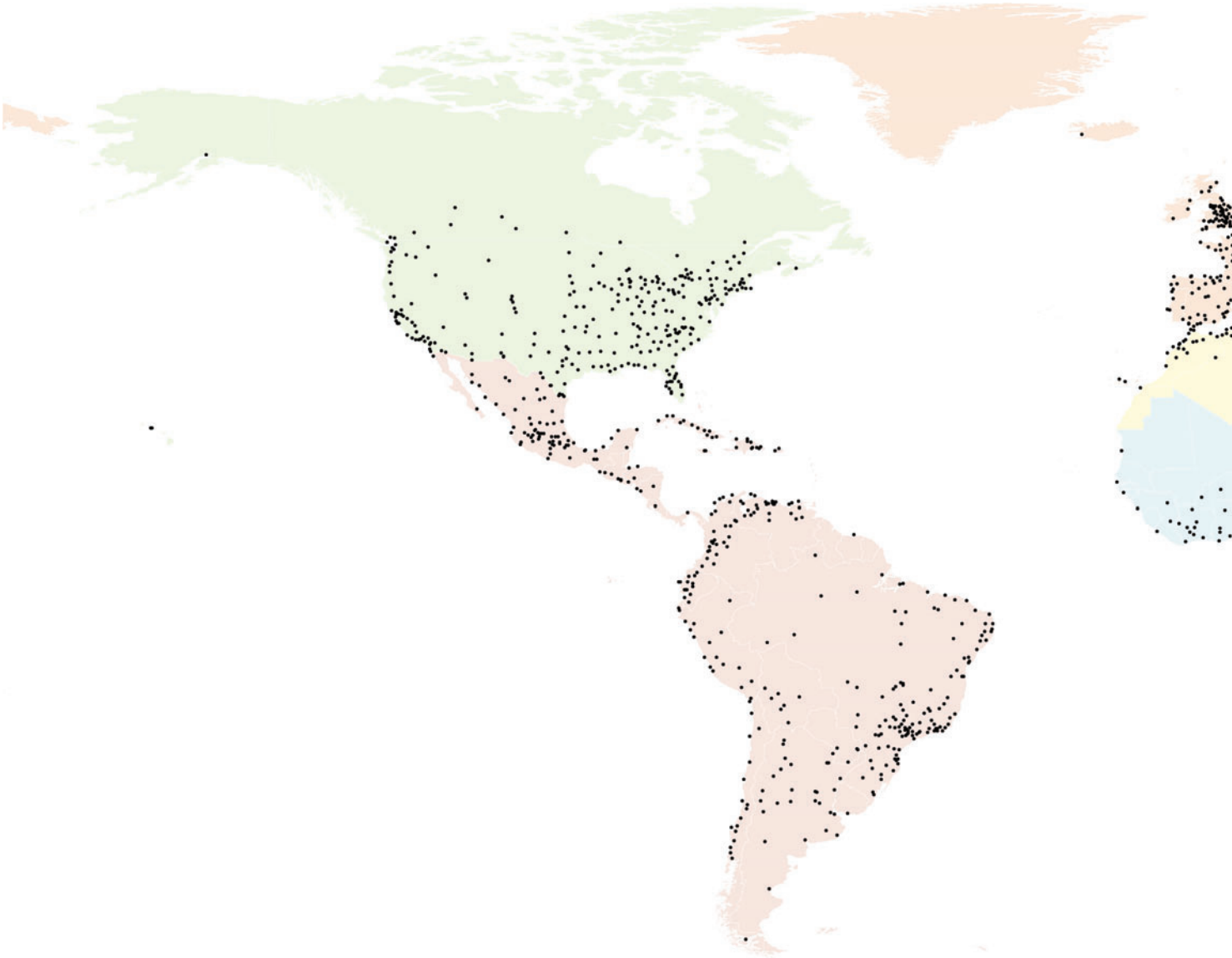

Fig 4: The universe of cities of more than 100,000 inhabitants

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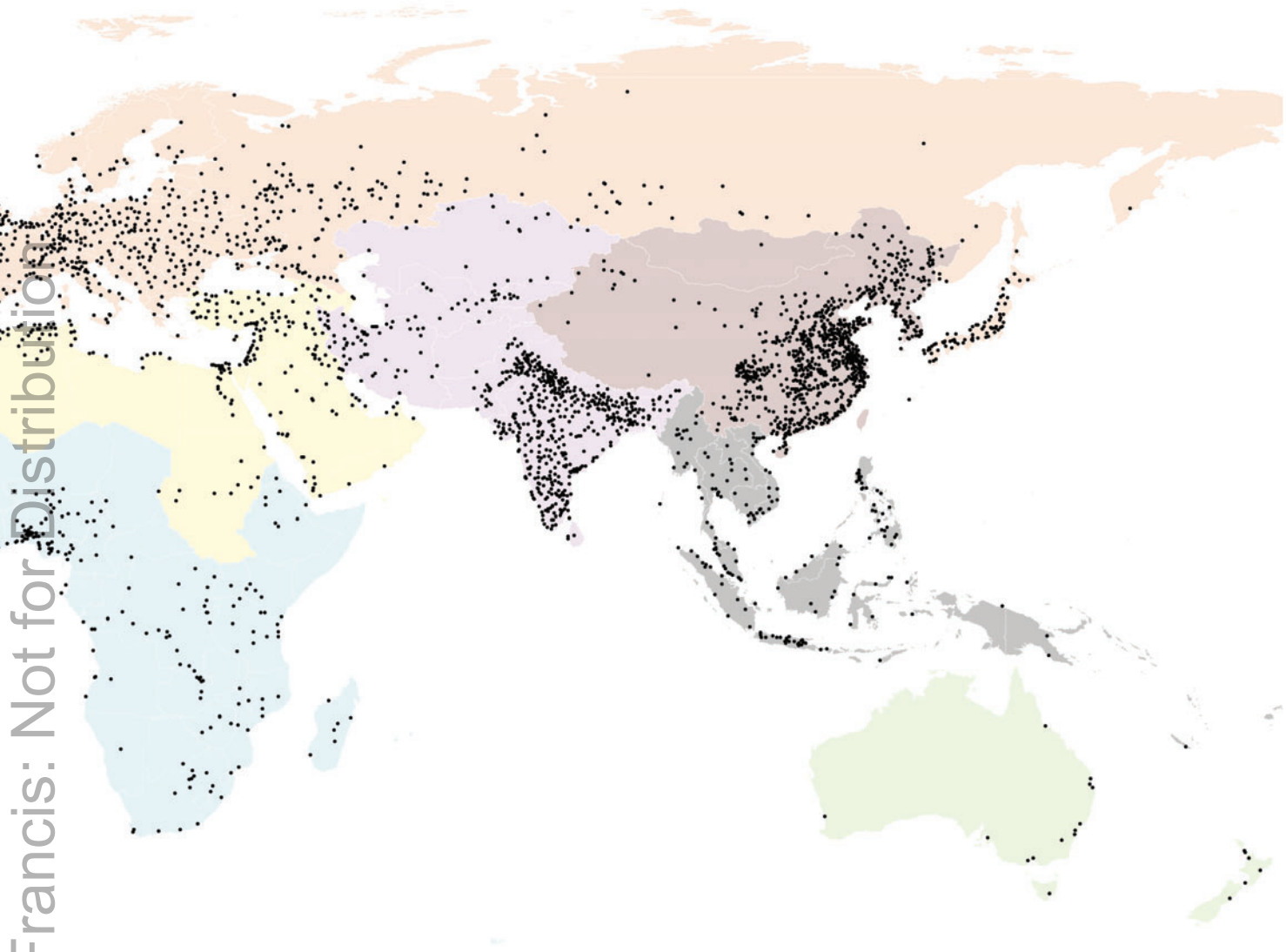
- Land-Rich Developed Countries
- Latin America & the Caribbean
- Europe & Japan
- Western Asia & North Africa
- Sub-Saharan Africa
- Southeast Asia
- East Asia & the Pacific
- South & Central Asia

The UN Population Division divides the world into two mega-regions: More Developed Countries and Less Developed Countries. The classifications that appear above and throughout this book subdivide the mega-region of the More Developed Countries into two (Land-Rich Developed Countries and Europe and Japan), to create groupings with similar land availability, and the mega-region of the Less Developed Countries into six. The relatively similar urbanization patterns of the resulting eight world regions of the sample facilitate monitoring and reporting.



1.1

Growing differences in population dynamics require focus- and speed-differentiated approaches to good urbanization

Population dynamics are closely linked to development challenges, including urbanization

While the total number of people in the world is growing more slowly than in past decades, future population growth will be older and almost entirely urban. In 2016, there were 7.4 billion people in the world, having grown by 2 billion since 1990. According to the United Nations projections, the world's population could reach 9.7 billion by 2050.

Alka Dev notes that, overall, both education and life expectancy have improved on average; people lived up to 70 years during 2010-2015, which was five years longer than two decades earlier. Increasing longevity and declining fertility have also led to an aging population. In 1990, people over 60 years of age comprised 9% of the world's population; in 2016, they comprised 12% and by 2050 they are projected to reach nearly 22%.

The world will also certainly become more urban. Nearly all of the future growth of the world's population will take place in urban areas. In 2016, more than half of the world's population resided in urban areas, compared to 43% in 1990. By 2050, over two-thirds of the world's population will be urban. Essentially all population growth in the future will be in cities: the urban population is projected to grow to 6.4 billion by 2050 while the rural population will remain around 3.3 billion. The largest increases will occur in less developed countries in Asia and Africa.

Sub-Saharan Africa (SSA), in particular, will experience the most rapid growth in terms of its total population (and, by extension, its urban population) posing huge challenges to cities. Between 2016 and 2050 in SSA, the urban population will grow 45% faster than the total population; 3.25% per year as compared to 2.25% per year. Translating these average rates to doubling time equates to the urban population of SSA doubling in just 21 years, compared to 31 years for the total population.

The next largest rate of change in total population growth will be in the countries of Western Asia and Northern Africa (WANA) which will add 1.28% more people to

Fig 5: Canaan in Croix-des-Bouquets and Thomazeau on the outskirts of Port-au-Prince, Haiti
Following the 2010 earthquake, the national government made land available 10 km outside of the capital for the emergency relocation of an urban camp at risk, though without having planned it beforehand. People invaded the area, which in four years mushroomed into an informal town of around 150,000 people.
© UN-Habitat

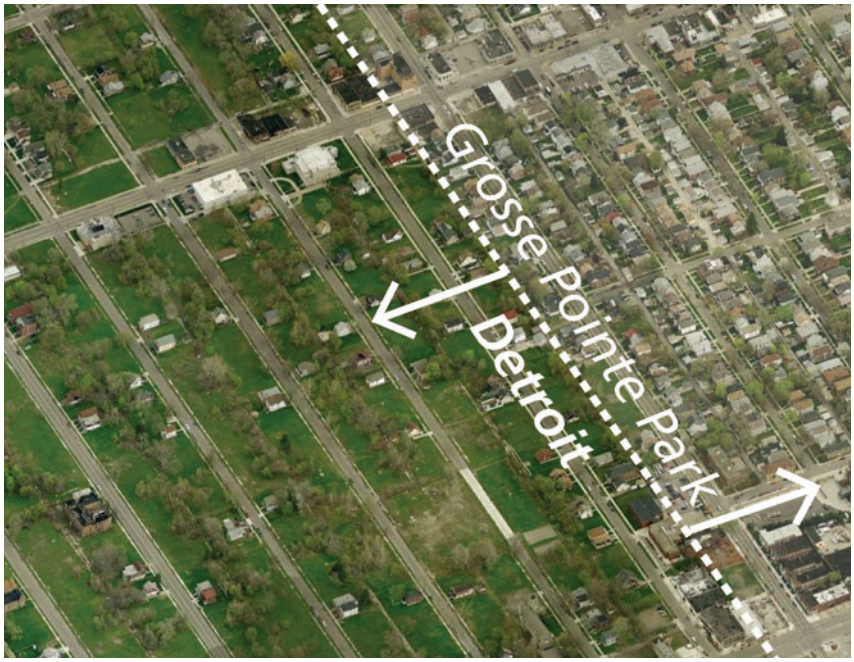


Fig 6: Aerial view of Jefferson Chalmers neighbourhood, Detroit
Due to the weakening of its automobile industry, the city has suffered a major economic decline and lost 64% of its population between 1950 and 2013.
© Bing Maps (Microsoft Product Screenshot reprinted with permission from Microsoft Corporation)

its overall population each year while growing moderately more urban. However, in the countries of South and Central Asia (SCA) and Southeast Asia (SEA), the urban populations will grow more than twice as fast as the total population. In contrast, in Europe and Japan (E&J), the total population is projected to shrink modestly by 2050, but the urban population of the region is projected to grow, albeit at a very slow rate. A similar pattern is predicted for China. Land-Rich Developed Countries (LRDC) and Latin American Countries (LAC) will also grow moderately more urban while adding to the total population.

The process of urbanization, or 'urban transition', describes a shift in a population from one that is dispersed across small rural settlements in which agriculture is the dominant economic activity towards one where the population is concentrated in larger, dense urban settlements characterized by industrial and service activities. Historically, the urban transition has been linked closely to economic development. In Europe and Northern America, rapid urbanization over the late nineteenth and twentieth centuries was observed to accompany the industrial revolution and rapid economic growth. A similar, although generally weaker, association between urbanization, industrialization and economic development has been observed more recently in many parts of Latin America and the Caribbean and Eastern Asia as well. The urban transition and economic growth have been linked in part because economic development fuels urbanization. People are drawn to cities that offer varied opportunities for education and employment, particularly in the industry and services sectors. Urbanization, in turn, generally has had a positive impact on economic development and poverty reduction.

Cities concentrate diverse pools of labour that businesses need in order to grow. Furthermore, the density of people and businesses in cities facilitates knowledge and information sharing, fostering new enterprises and technological

innovation. As hubs of commerce, government, and transportation, cities provide crucial links with rural areas, between cities, and across international borders. Approximately 80 per cent of global gross domestic product (GDP) is generated in cities.

Recent trends in developing regions, particularly in sub-Saharan Africa, have challenged long held notions about the association between urbanization and economic growth. While a dearth of data on urbanization in the region complicates any inference about trends, the available evidence suggests that the urbanization process continued in sub-Saharan Africa between the 1970s and 2000, despite economic contraction in the region over the same period. Demographers note that the urban transition observed in sub-Saharan Africa in recent decades, while not consistent with economic theories of urbanization, is consistent with the demographic transition experienced in the region.

The demographic theory of the urban transition posits a 'pre-transition' period characterized by high birth and death rates. During this period a given country's (or region's) population is mostly rural and mortality rates in urban areas tend to be much higher than those in rural areas owing to the heightened risk of death from infectious diseases that spread easily in densely populated areas that do not have good sanitation. Moreover, urban birth rates tend to be lower than urban death rates such that the urban population is sustained only by continuous replenishment through rural-to-urban migration. However, with improvements to public health, death rates begin to decline faster in urban areas than in rural ones and eventually the number of urban deaths falls below the number of urban births. This means that the urban population grows not only because of rural-to-urban migration, but due to natural increase as well. In most regions, including in sub-Saharan Africa, the process of urbanization has tended to occur in tandem with the declining mortality and fertility rates

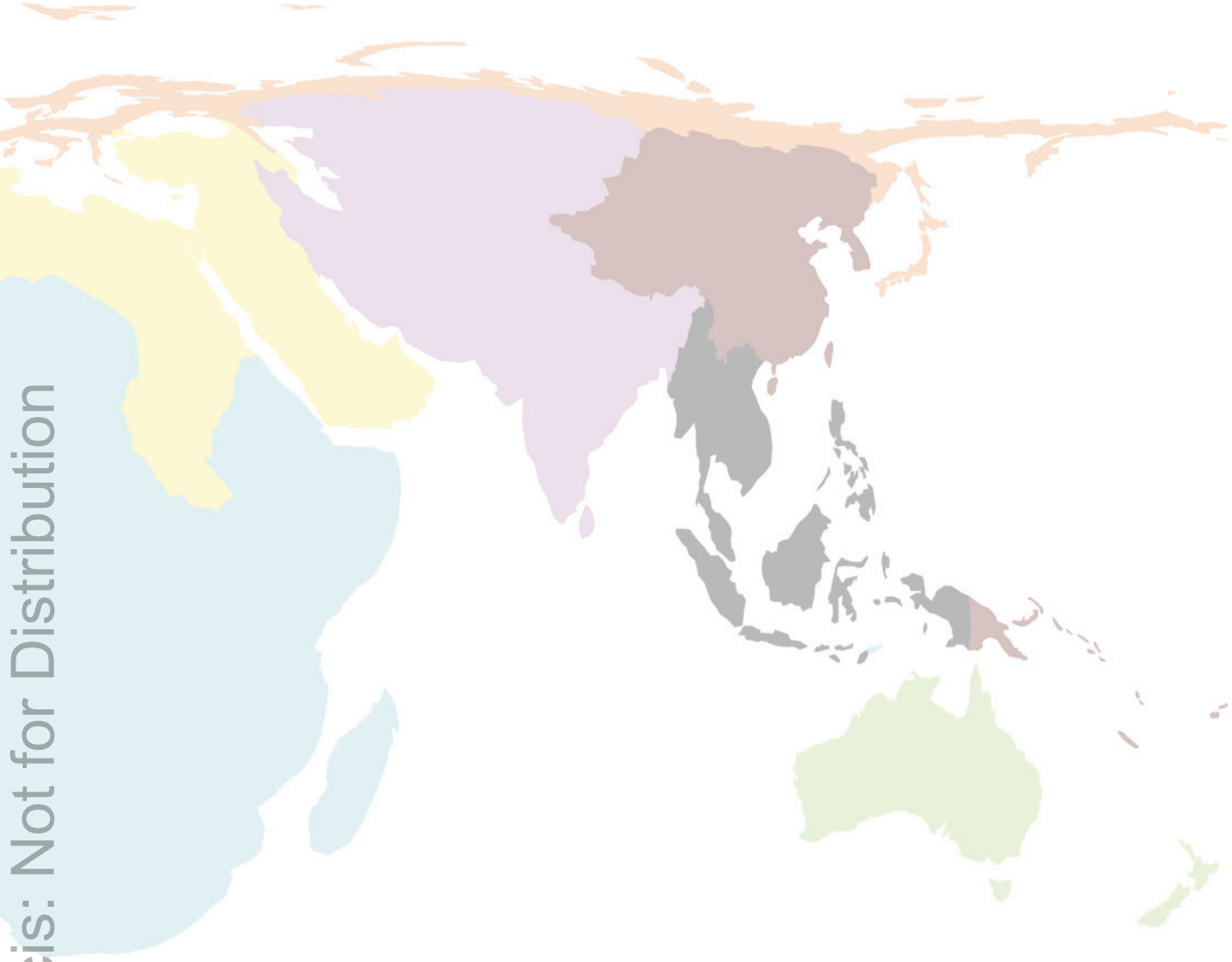


Fig 7: Cartogram showing projected annual rate of urban population growth

© UN-Habitat based on data from Yannick Savina

- Land-Rich Developed Countries
- Latin America & the Caribbean
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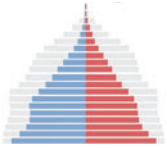
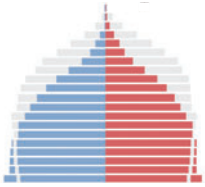
that characterize the demographic transition, lending support to the notion that the urban transition is better explained as a demographic phenomenon than strictly as an economic one.

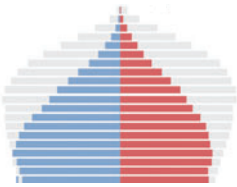
The consequences of the rapid pace of urban growth present many development challenges as they are projected to result in disorganized cities with large proportions of people living in unplanned and illegal settlements. Countries in SSA—and to a slightly less extent in SCA and SEA—are poised to bear the brunt of urban demands. The lack of basic public infrastructure and housing tenure or land rights combined with substandard living conditions may become one of the biggest public health disasters of the century. Not only can this phenomenon eliminate the urban opportunities that drive development and economic growth, they can also create extremely inaccessible pockets of poverty where people live in far worse conditions than rural areas.

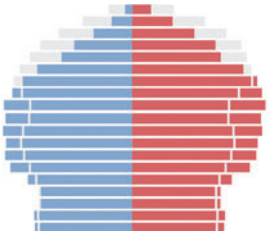
Fig 8: Population pyramids 2016-2050
© UN-Habitat based on Data from UN DESA
Population pyramids visualize the most fundamental demographic characteristics of human populations: age and sex. In aggregate, they indicate the number of people in a population who are going to engage in any predictable demographic behaviour such as schooling, marriage, employment, family formation, migration and so on. Pyramids sized in proportion to their respective regions' share of world population.

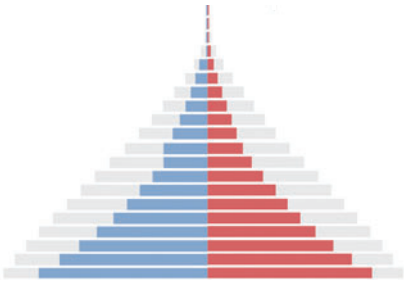

Land-Rich Developed Countries


Western Asia & North Africa


Southeast Asia


Latin America & the Caribbean


Europe & Japan

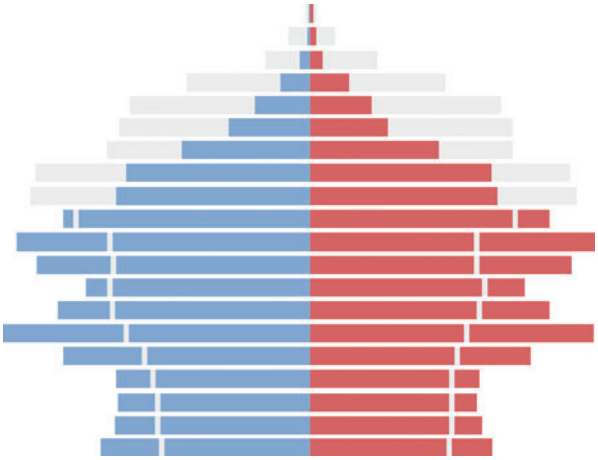

Sub-Saharan Africa

There is an unprecedented diversity in demographic structures across the world: age distribution and overall growth

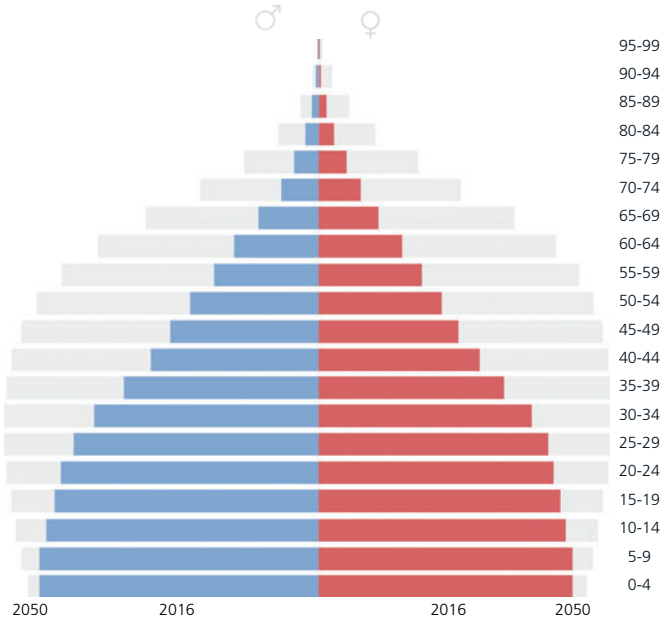
The world's regions differ markedly in terms of the demographic changes they are currently experiencing. Population pyramids visualize the number of people in a population who are going to engage in any predictable demographic behaviour such as schooling, marriage, employment, family formation, migration and so on. They are an important tool for understanding population level needs for specific types of public and private resources.

Historically, they had the shape of a pyramid: there is a large group of young people at the bottom, fewer and fewer people in each succeeding generation and a small number of older age groups at the top. Current populations around the world vary from being quite youthful, as in SSA, to being much older, as in E&J. The diversity in age structures across the world is also indicative of different rates of fertility, mortality, and population growth. Three categories of population dynamics that can be understood broadly help explore the potential regional impact of population growth on urbanization.

SSA and WANA countries are in the first category, which is characterized by high fertility rates, high rates of mortality and low life expectancy; these contribute to a more traditional pyramid shape. SSA has a wide pyramid base, typical of a rapidly expanding population with a large number of births and a large number of people in the younger age groups. Children under five are the most numerous segment in 2016 (16%) and will remain so in 2050 (12%). In the next three decades, SSA countries will add 90 million children under five years to their population; from 160 million currently to nearly 250 million in 2050. The large numbers of new residents that will SSA cities absorb will be disproportionately young. In 2016, there were nearly as many youth aged 0-14 years as working age people 15-64 years in SSA, meaning a very large dependency ratio of youth compared to the productive population. By 2050, over half of the population will still be in the younger age groups but the working age population will



East Asia & the Pacific



South & Central Asia

have grown from 527 million to 1.3 billion. If today's youth are given sufficient education, training, and job opportunities, then this increase in the proportion of working age people could lead to a 'demographic dividend' for SSA. If instead they are unemployed or underemployed in subsistence agriculture, the growing number of unskilled working age people will pose a challenge to the achievement of sustainable development.

Similarly, children under five are the largest segment of population in WANA now (12%) but a declining birth rate will slow the proportion of this population to 8% by 2050. WANA countries will also have a large population of youth (nearly 120 million youth under 14 years old), but also a comparably large dependent population of people over 64 years. WANA countries will need critical resources for education, employment, housing, and security for its youth, especially since most of them will be competing for resources in urban settings. However, resources will also need to be directed to an aging population.

The second category consists of the most developed countries; both land-rich ones such as the United States and others that are not, such as Japan and European nations. In both, the population structure follows more of a dome shape rather than the traditional pyramid. A steady fertility decline in these countries has led to a more rectangular shape typical of low fertility countries as the high fertility bulge of the past has moved to the middle working ages, representing a large portion of the population between 15-64 years. Rather than an expansion of the population, land-rich developed countries (LRDC), European nations and Japan will face a shrinking workforce, due to lower birth rates, and a considerable aging population, given lower mortality and longer lifespans. By 2050, in Europe and Japan the proportion of people between 15-64 years will have decreased from 65% (currently) to 56%, and the proportion of people 65 and older will have

Fig 9: 'Arab Spring', Egypt, 2011
© Saleem Al Homsi

increased from 19% (currently) to 29%. Similarly in LRDC, there will be a 6% decrease in working age segments and an 8% increase in people over 65 years. In both regions, the proportion of children and youth will remain relatively stable. The needs of people in these countries will require reallocation of resources to support a large group of the elderly but also strategies to sustain economic growth with lower proportions of working age people.

Finally, the pyramids for the Latin American Countries (LAC), South and Central Asia region (SCA), and Southeast Asia (SEA) region show their passage through the demographic transition—fertility declines began in the 1960s and early 1970s due to introduction of fertility reduction programs and accelerated rapidly into the early 1980s, resulting in a slowing down of population growth. The population structures of these countries are also represented by a wide base. Until fertility rates decline and the births and deaths become equal, substantial population growth can still take place due to high fertility conditions of the past that led to larger proportions of people in reproductive age groups. Depending on their place in the demographic transition, the high fertility bulge of the past will move into the older ages resulting in increasing shares of older age groups and a moderately stable working population. In LAC, for example, there will be a decrease in children and youth under 14 years, from 25% currently to 17% in 2050. The proportion of working age people (15-64 years) will also decrease by 4% while the proportion of those 65 years and older will increase from 8% to 20% by 2050. The countries of SEA, some of which entered the transition early, will also see a 7% decline in the population under 15 years but an increase of 10% in those 65 and older. The working age groups will decrease slightly from 68% to 65%. In SCA countries, which experienced a fertility decline later than LAC and SEA, the younger populations will also decline, although the working age popula-

Fig 10: Women in Frederiksberg, Hovedstaden, Denmark
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Fig 11: A group of Nepali men with their traditional Dhaka Topi hats on a bench at the Patan Durbar Square, Khatmandu Valley, Nepal
© Chuck Moravec, CC by 2.0

tion will increase slightly from 65% to 67% and there will be a smaller increase in the proportion who are over 65 years.

The pyramid for the EAP region largely represents the situation in China where high fertility from the past can be seen as a large middle bulge of working age people who will form a large proportion of older age groups in the next decades. The working age population will decrease significantly from 73% in 2016 to 59% in 2050, while the shares of those who are 65 and older will increase from 10% to 28% over the next three decades.

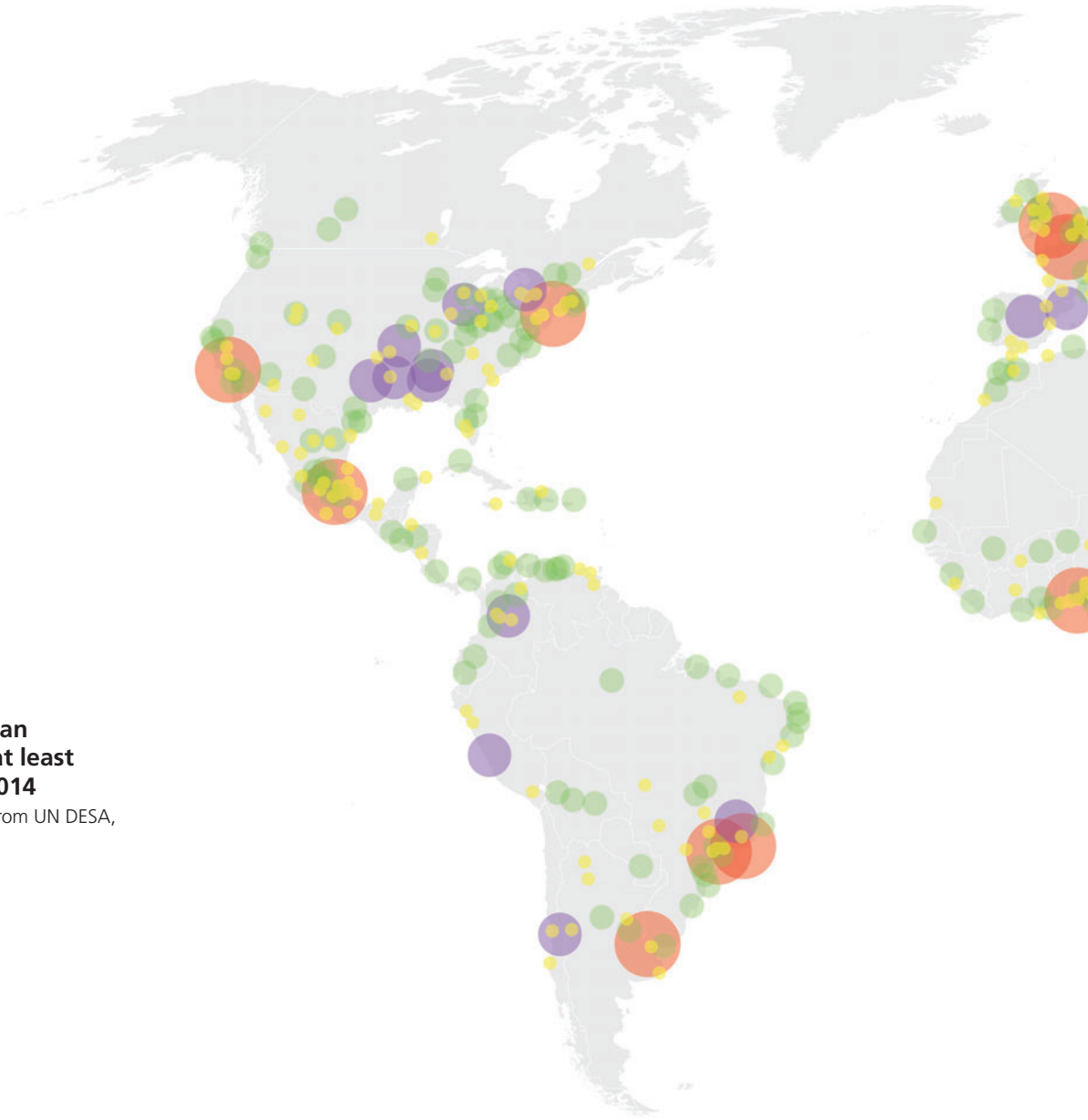
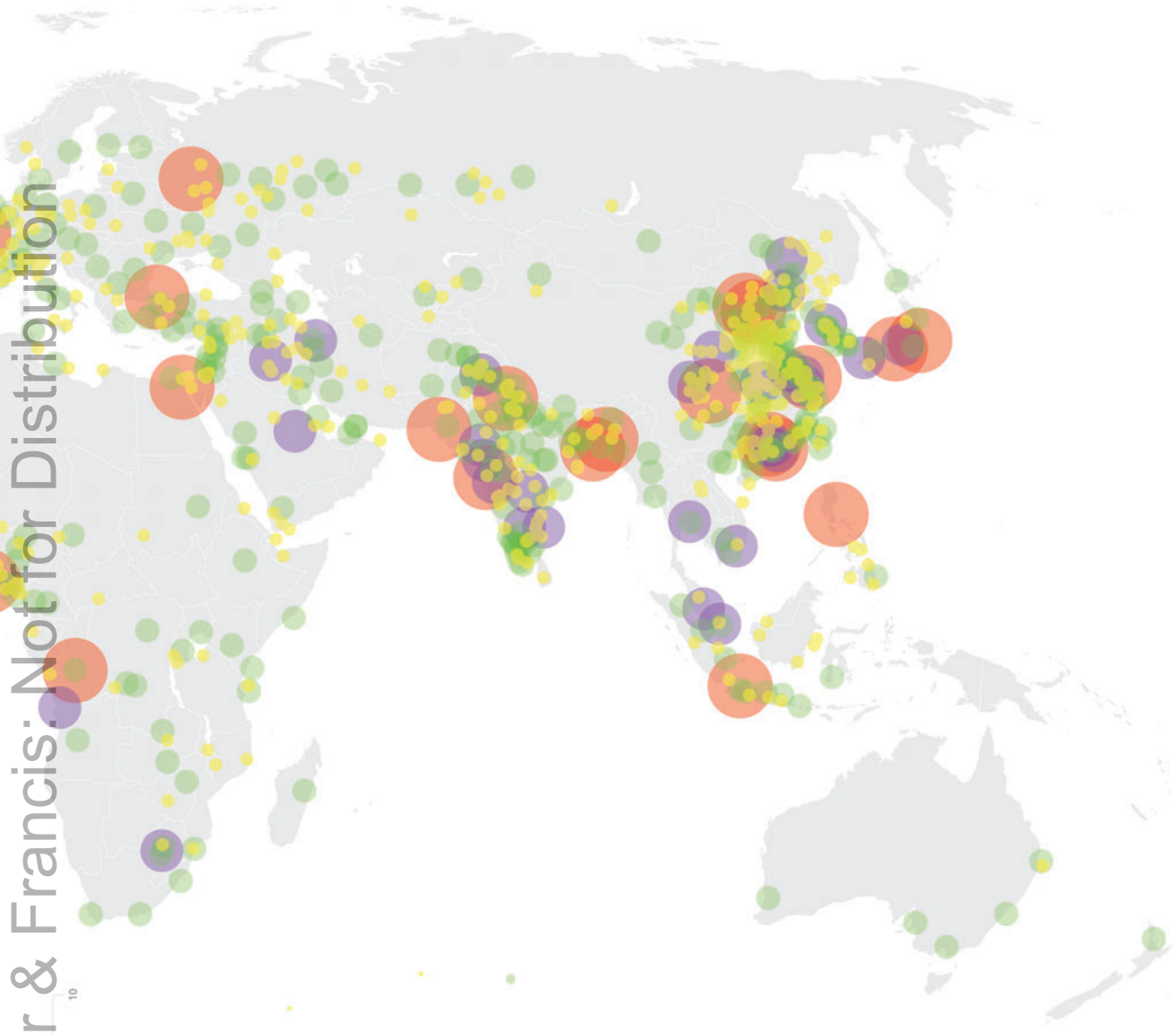
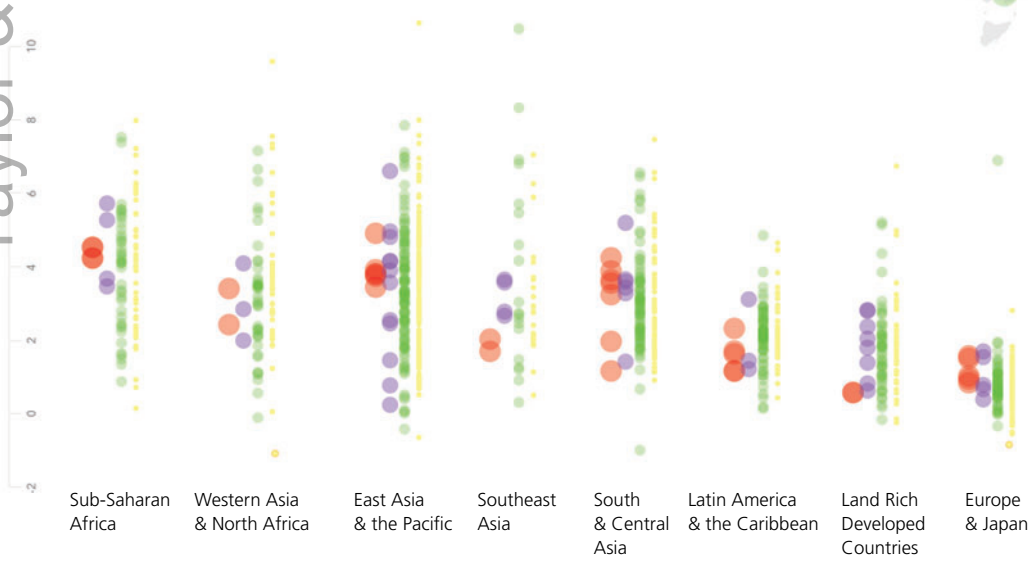


Fig 12: Location of urban agglomerations with at least 500,000 inhabitants, 2014

© UN-Habitat based on Data from UN DESA, 2014

- Small Cities (500k - 1 million)
- Medium Cities (1 - 5 million)
- Large Cities (5 - 10 million)
- Mega Cities (10+ million)





Average annual city growth rate (percent), 2000 - 2016

Fig 13: UN-Habitat's global sample of 200 cities
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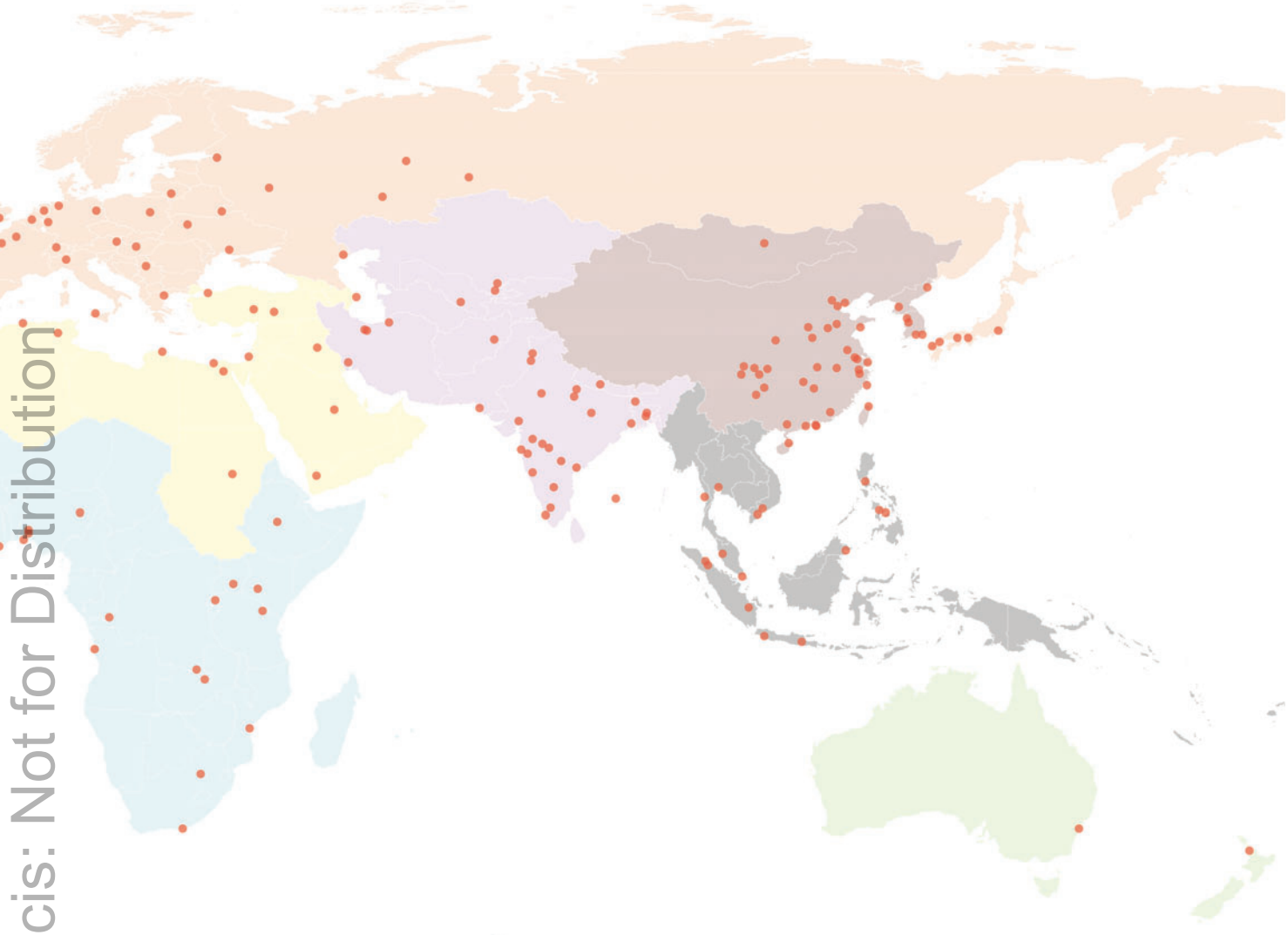


1.2 A massive loss of habitat is accelerating and driving new flows of migration

Emerging flows of migration point to structural changes in the areas of origin

In her current research Saskia Sassen is focusing on a particular set of migration flows that have emerged recently. These new flows are generally far smaller than ongoing older ones but are of interest because they provide clues to their origins and the larger shifting contexts of which they are a part. In this way the migrant can be seen as an indicator of emerging changes in the area where they come from, whose impact over time and at scale is still to be fully understood and visible.

Sassen examines three migratory flows. The first is the sharp increase in the migration of unaccompanied minors from Central America, specifically Honduras, El Salvador, and Guatemala. The second is the surge in Rohingyas fleeing from Myanmar. And the third is the migration toward Europe, originating mostly in Syria, Iraq, Afghanistan, and several African countries, notably Eritrea and Somalia.

These are three very different types of flows, and the third one contains particularly diverse ones. Yet each points to a larger context in which extreme conditions, rather than economic calculus, provoke chain migration. These conditions arose from situations larger than the internal logic of households and the vagaries of national and local economies, and they operate at city, regional and global geopolitical levels.

The immigrants constituting these new flows are distinct from those of the million-plus immigrants who are mostly modest middle class, increasingly joined by professionals, functioning in the global economy and who have entered through formal channels or become formalized eventually in their new home countries. In contrast, the immigrants constituting these new flows are not the poorest in their countries of origin.

Extreme violence is one key factor explaining their migration. A second factor is thirty years of international development policies, which have left much land dead. Mining, land grabs, and plantation agriculture have expelled directly and indirectly

Fig 14: The Old City of Homs has been destroyed by years of conflict, Syria
© UNHCR / Andrew McConnell

Fig 15: Syrian refugees arriving by boat on the island of Lesbos from Turkey, Greece
© UNHCR / Andrew McConnell

whole communities from their habitats. Moving to the slums of large cities, or, for those who can afford it, out of their home countries, has increasingly become the last option. This multi-decade history of destructions and expulsions has now reached extreme levels of which the vast stretches of dead land and water bodies are a stark reminder. Some localized wars and conflicts arise from this destruction, as part of a fight for habitat. Climate change, through increased droughts and/or floods, further reduces liveable ground.

These emerging flows point to larger histories and geographies in the making. If not formally acknowledged and proactively prepared for, they could eventually become overwhelming to existing immigration and refugee policy systems, to the mostly urban areas receiving them, and to the men, women, and children who constitute them.

Fig 16: São Paulo stock market representing the virtual nature of advanced capitalism
© Rafael Matsunaga, CC by 2.0

A new phase of advanced capitalism is feeding the loss of habitat

The geographic expansion and systemic deepening of capitalist relations of production in the global South is nothing new. However, Sassen focuses on recent years, which are marked by a new phase in the loss of habitat due to the scaling up of land and water grabs, expelling smallholder growers for massive expansion of mining and large-scale occupation of land to build modern high-rise environments for the upper middle classes. Furthermore—and insufficiently recognized in standard measures of economic growth—these grabs register as growth in the Gross Domestic Product, in ignorance of the smallholder economies they have replaced.

Much attention has already been paid to the destruction of pre-capitalist economies in the global South via their incorporation into capitalist relations of production. But the post-1980s period makes visible another variant of this capacity to appropriate or destroy traditional capitalism and deepen a type of advanced capitalism dominated by a financial logic. This is critical because high finance is radically different from traditional banking. The traditional bank sells something it has, generally money, for interest. Finance sells something it does not have, so it needs to develop complex instruments that enable it to invade other sectors in order to financialize whatever value can be extracted and then insert it into financial circuits. It is this feature that leads Sassen to posit that finance is an extractive sector that, having extracted what is there to be extracted, moves on, leaving behind destruction. These represent new predatory dynamics rather than merely evolution, development, or progress. At its most extreme this can mean the immiseration and expulsion of growing numbers of people who cease to be of value as workers and consumers. But it also means that traditional and petites bourgeoisies cease to be of value.

30 years of international development policies have left much land dead, extracting what is there to be extracted, moving on, leaving behind destruction.

Saskia Sassen

Debt servicing is part of the logic of extraction

Debt servicing has been a key instrument for disciplining and weakening governments by forcing them to pay growing shares of national revenue for interest on their debts rather than economic development (IMF). Whereas countries should be drawing foreign investment to and furthering mass manufacturing by national firms—which can generate a modest but effective middle class—debt servicing has made them susceptible to signing unfavourable deals with global firms in extractive industries.

The extraction of value from the global South and the implementation of restructuring programmes at the hands of the IMF and the World Bank have had the effect of 'reconditioning' the terrain represented by these countries for an expansion of new forms of advanced capitalism, including acquisitions of vast stretches of land for agriculture, water and mining. This has systemically weakened and corrupted governments; even resource-rich countries have experienced the immiseration of their people. It is now clear that these programmes did not deliver on the basic components for healthy development. The discipline of debt service payments was given strong priority over infrastructure, hospitals, schools, and other people-oriented development goals, such that many of sub-Saharan African countries have less functioning health and education systems and economies and more destitution than several decades ago.

The primacy of this extractive logic became a mechanism for systemic transformation that went well beyond debt service payment, the devastation of large sectors of traditional economies, including small-scale manufacturing, the destruction of a significant portion of the traditional and petite bourgeoisie, the resulting survival economies of the poor, and, in many cases, the impoverishment and progressive corruptibility of the state.

The gradual destruction of traditional economies has come precisely at a time of extreme financialization and systemic crisis based on a growing demand for those material resources.

Fig 17: The boundary between intact forest and deforested land for palm oil plantations, Indonesia
© Mighty

Fig 18: Deforestation from palm oil plantations in Papua New Guinea. Piles of wood prepared to be burnt by Korean Palm Oil Company Korindo
© Mighty

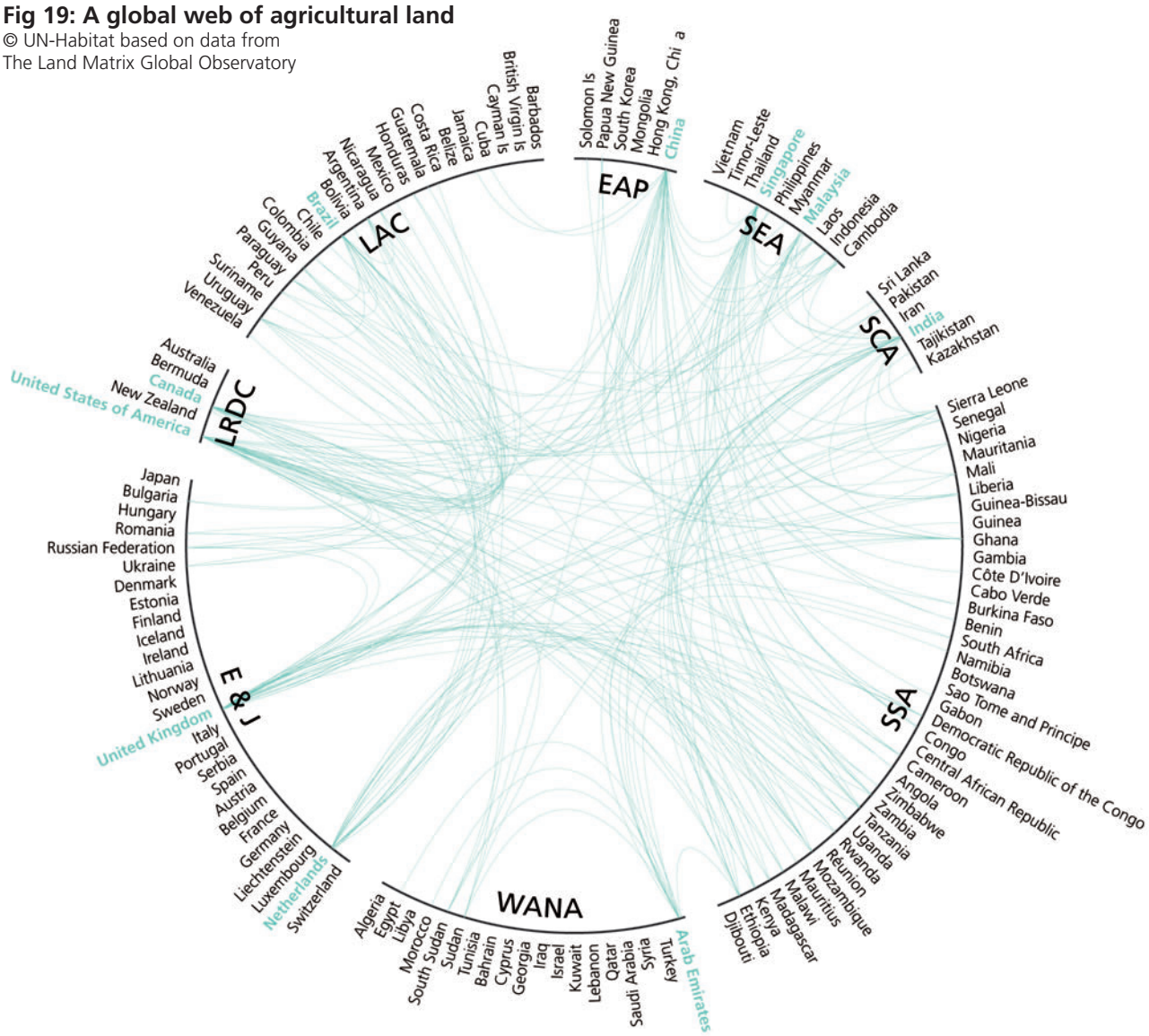
Sharp increase in rural land acquisitions represents a structural transformation

The weakening and corrupting of governments in the global South described previously has enabled a sharp increase in land acquisitions by foreign governments and firms since 2006. What concerns Sassen is the clear emergence of a new phase of Capitalism, rather than the continuation of a centuries-old practice going back to diverse imperial phases.

One reason for these land acquisitions is rapid development in some parts of the world that is generating a demand for industrial crops, food crops, wood, water and metals. In addition, the financialization of commodities has brought new potentials for profit making to the primary sector, thus stimulating large-scale speculative investments in land. These investments in land have crowded out investments in mass manufacturing and other sectors mentioned previously. The rise in such investments happened at a time when several countries of the global South were beginning to experience significant growth in mass manufacturing, with increasing amounts of foreign direct investment (FDI) in this sector.

The issue is not one of nationalism versus globalism, but one of complexity: where once there was a prospect of democratic decision-making, now we see an expansion of opaque transnational networks that control the land with a global governance system geared primarily towards enabling corporations. With this expansion of acquired land, what was once 'national sovereign territory' becomes merely a commodity on sale in the global market. In other words, we see a weakening of a complex entity that at its best can uphold the state's authority and inhabitants' rights while holding the state accountable.

Fig 19: A global web of agricultural land
© UN-Habitat based on data from
The Land Matrix Global Observatory

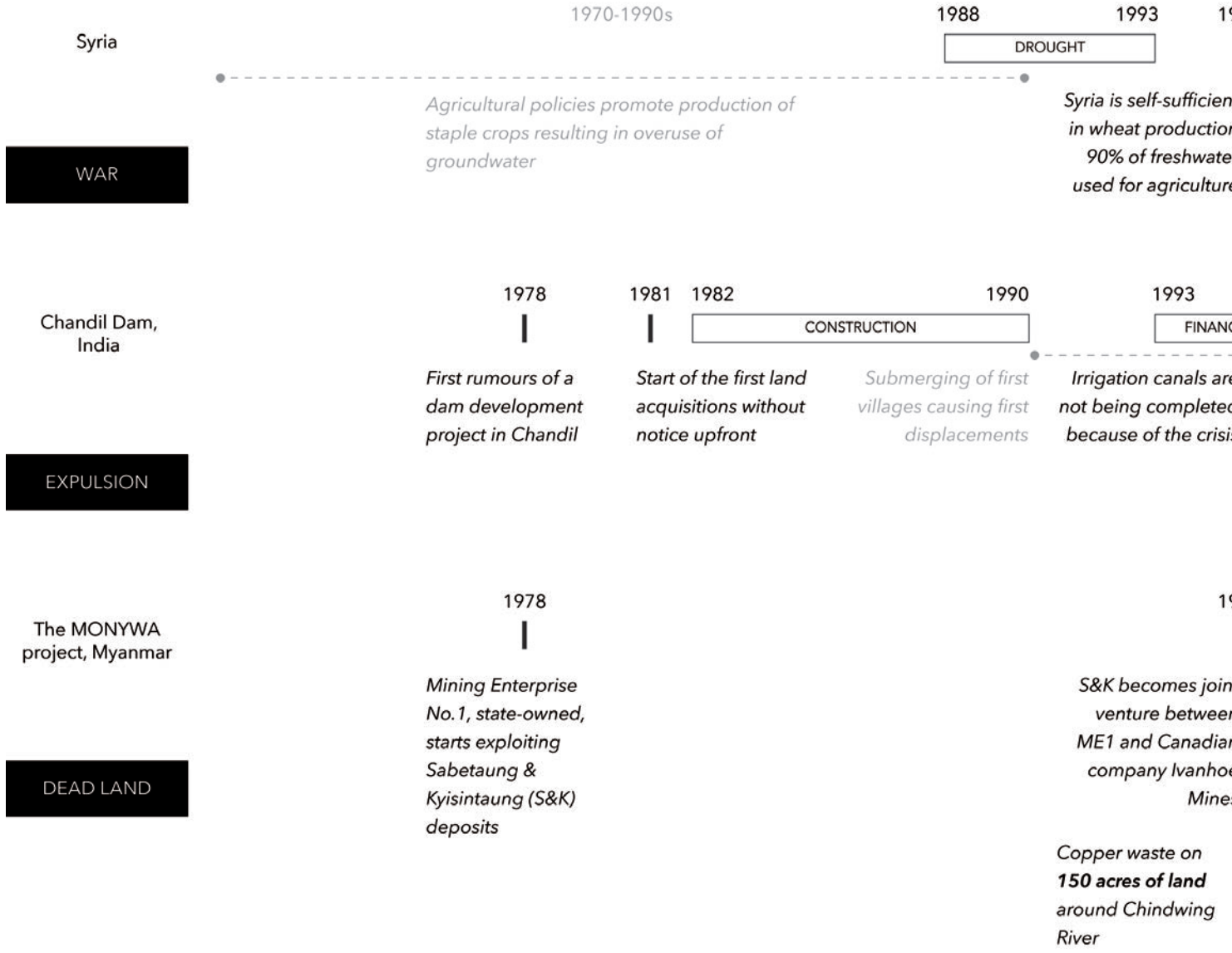


Top 10 land-investing countries:

1. United States of America	6,608,845 hectares
2. Malaysia	3,885,360 hectares
3. Singapore	3,215,852 hectares
4. United Kingdom	2,271,235 hectares
5. Arab Emirates	2,269,687 hectares
6. China	2,241,468 hectares
7. Brazil	2,069,943 hectares
8. India	2,069,483 hectares
9. Canada	1,993,032 hectares
10. Netherlands	1,744,545 hectares

Top 10 land-targeted countries:

1. Papua New Guinea	3,792,653 hectares
2. Russian Federation	3,363,012 hectares
3. Indonesia	3,235,335 hectares
4. Democratic Republic Congo	3,155,258 hectares
5. Brazil	2,745,758 hectares
6. South Sudan	2,691,453 hectares
7. Mozambique	2,448,695 hectares
8. Ukraine	2,404,407 hectares
9. Congo	2,148,000 hectares
10. Argentina	1,582,516 hectares



New and emergent flows of migrants in search of a bare life rarely have an option of return: a new history in the making

Wars, dead land and expulsions are producing a vast loss of habitat for a growing number of people. Even though each country has its own specific sources and conditions, Sassen argues that there is a history that weaves itself across this diversity and traces an expanded geography of instability and economic destruction. The current fragility started in the 1980s. The role of rich donor countries has also shifted: overall they give less in foreign aid for development than 30 years ago. As a result, the remittances sent by low-income immigrants are now larger than foreign aid. Philanthropies have also entered the realm once almost exclusive to governments.

As a consequence, a record number of people have been expelled from their homes and are in search of 'bare life', with no home to return to. These new dynamics are enormous challenges to the international system and countries and cities across different regions, including Europe, which until recently had been considered one of the most stable regions.

The histories and geographies shaping the three sets of flows introduced above are varied and complex. As a result, there are no easy solutions. These refugees are not usually the poorest in their countries, even if departing from their home countries leaves them without any resources; many have advanced educations and started out with not insignificant means. Most are not emigrants per se, but rather refuge seekers. 'Sending them back from where they came' is often not an option because what was once home is now a war zone, a new private gated community, a corporate complex, a plantation, a mining development, a desert or a flooded plain; in short, a space of oppression and abuse.

These particular flows are subsets of larger flows of displaced people, but they stand out by their surging numbers and by the extreme conditions in the areas where they originate. An examination of the areas they are escaping often brings to the fore larger histories and geo-

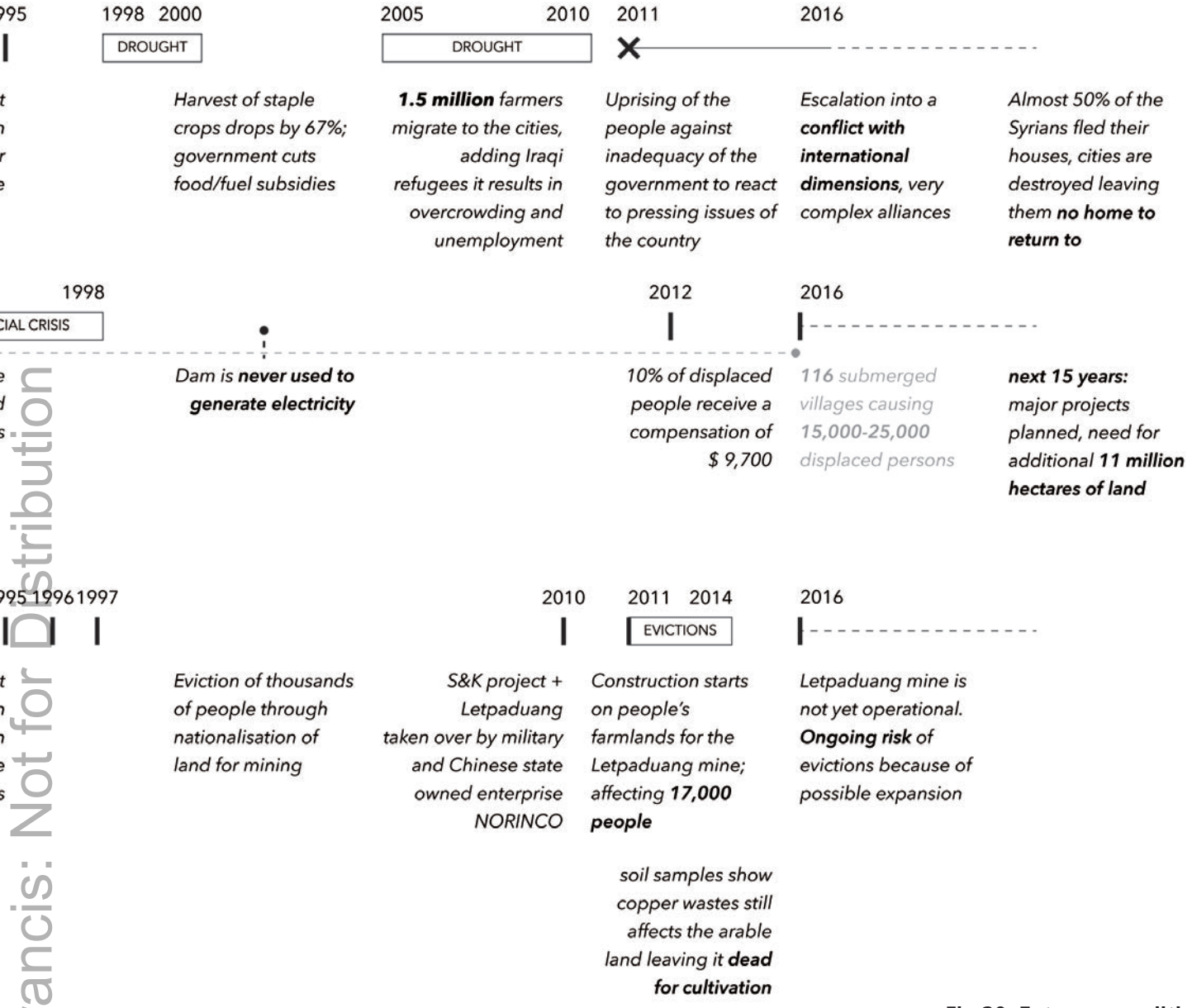


Fig 20: Extreme conditions inducing migration and instability over time

© UN-Habitat based on data from Amnesty International, IDMC, Carbon Brief

graphies than the immediate and most visible causes might suggest—in other words, not necessarily war per se. They often point to longer histories of oppression and exploitation of a country's population as well as the destruction of its local economies.

These dynamics do not indicate a lack of order—they are the new order, and the departures that signify them are likely to continue. The three extreme flows of refuge seekers Sassen examines are a sort of first indication of a process that is likely to escalate, reshaping our urban world and its population and creating new challenges that will require supranational, national and city level answers.

1.3

Large-scale urban land acquisitions could de-urbanize cities and undermine public control

Corporate purchases of urban properties and land exhibit worrying new features

Most buildings in a city tend to be privately owned. While this is not new, the corporate buying of properties in most major cities of the world sharply increased after the 2008 crisis. Many newly-acquired buildings are underused and functioning essentially as a storage space for capital. This has exacerbated another trend in these same cities: the escalating price of modest housing, which is now excluding more and more of the working and middle classes.

It would be easy to explain the post-2008 investment surge as more of the same. After all, the late 1980s also experienced a rapid growth in national and foreign buying of office buildings and hotels. But an examination of the prevalent trends points to a whole new phase in the character and logic of foreign and national corporate acquisitions. Currently the corporatizing of access and control, and increasingly even ownership, has extended not only to high-end urban sites, but also to the land from beneath the homes of modest households and government offices. Corporations are buying whole pieces of cities at an unusually large scale. The mechanisms for these extractions are often far more complex than the outcomes, which are often quite elementary in their brutality. It is too early to confirm whether there is a difference in urban impact between national and foreign investment.

Several new features stand out. First, the buying of buildings has accelerated sharply. In 2016 there were about a hundred cities worldwide that had become significant destinations for such acquisitions (as ranked by the value of national and foreign buying of property in 2013-2014). In these cities, the corporate buying of existing properties reached over US$ 600 billion from mid-2013 to mid-2014 and over US$ 1 trillion from mid-2014 to mid-2015. These cities account for 10% of the world's population but 30% of global GDP, and, even more shockingly, 76% of all property acquisitions. Inevitably, this degree of concentration has also enabled the invention of a sort of real estate 'matching market' that

Fig 21: High-end corporate buildings whose large scale and homogeneity of use are undermining urbanness.

controls a large proportion of the high-end real estate sector.

Second, a whole new market for high-end housing has developed. In the post-2008 period, much of the buying of buildings has been to destroy and replace them with far taller, more luxurious buildings, which are often isolated from their environment and, as they often serve as secondary, tertiary or quaternary residences, are often temporarily unoccupied.

Third, the foreclosing on modest properties has resulted in swathes of underused urban land. In the US in recent years this has led to the loss of home-ownership, along with a significant amount of empty or underused land. The financial instrument involved is perversely brilliant in that it allows investors to use these mortgages in order to build asset-backed securities; it persuades what are in fact mostly low-income households that they can buy a house, asks them just to sign the contract, and not to pay anything for years. Investors made vast profits by selling the financial instrument as an asset-backed security to the high-level investor world. As this instrument can travel globally, it was also sold in Europe where foreclosures are also accumulating.

Fourth, corporations are acquiring whole blocks of underutilized and dead industrial land for site development and the spread of megaprojects. The availability of large-scale, obsolete industrial land and the abundance of unused houses in fairly central urban land due to the foreclosing of modest properties have enabled large-scale land acquisition for site development and megaprojects. Regrettably, the privatizations and deregulations that accelerated in the 1990s across much of the world have only strengthened and enabled this proliferating urban gigantism.

Fig 22: Gated community of Lomas de Angelopolis in Puebla, Mexico
© Sheffield Institute for International Development (SIID) / Emma Morales

Density alone does not make cities— large-scale acquisitions of urban property risk de-urbanizing them

While cities are strongly correlated with density and built-up terrain, Sassen argues that not all densities are the same—some actually de-urbanize cities. For her, the definition of a city is the space where those without power can make a history and a culture for themselves.

The scaling up of acquisitions results in a systemic transformation in the pattern of land ownership in cities, one that could alter their historic meaning. While not new, what stands out is the sharpening and corporatizing of extraction, of access and control, and increasingly even ownership. The large-scale corporate buying of, literally, urban space in its diverse instantiations introduces a de-urbanizing dynamic in that it is not adding to mixity and diversity. This often implants within the urban fabric a new formation in the shape of multiple high-rise luxury buildings. This new set of implants contains within it a logic all its own. It cannot be urbanized in the specific or idiosyncratic terms of a given city—that is, it cannot be tamed into becoming part of the logics of the city where it inserts itself. Such implants keep their full autonomy and essentially give the city their back.

Megaprojects thus raise the density of the city but risk de-urbanizing it, by thinning the texture and scale of spaces previously accessible to the public. In other words, they generate vast footprints that inevitably kill much urban tissue: small streets and squares, density of street level shops and modest offices, and such. Where before there was a government office building handling the regulations and oversight of this or that public economic sector, or addressing the complaints from the local neighbourhood, now there might be a corporate headquarters, a luxury apartment building, or a mall. The overall effect of large corporate private ownership has been a reduction in publicly owned space. These megaprojects also act often as de facto gated spaces that concentrate many people from the same socioeconomic class and lack a dense mix of uses and types of people. Often this type of devel-

The overall effect of privatization has been a reduction in public buildings and an escalation in large corporate private ownership. Density is not enough to have a city.

Saskia Sassen

opment reinforces itself with walls, whether real or virtual.

Cities are at risk of losing their cosmopolitanism if large-scale buying continues. Density matters, but so do complexity and incompleteness: in this mix lies the capacity of cities across histories and geographies to outlive far more powerful but fully formalized systems. This combination also allows those without power to assert 'we are here'. Where the powerless have left their cultural, economic or social imprints—even if mostly in their neighbourhoods—eventually each one of their imprints can spread to a vaster urban zone. None of this can happen in an office park, no matter its density; it is a privately-controlled space where low-wage workers can work, but not make. In contrast it is in large, messy and somewhat anarchic cities that develop over time that the possibility of gaining complexity in one's powerlessness and leaving a historic trace can happen, because nothing can fully control such diversity of peoples and engagements.

Density, combined with complexity and incompleteness, makes cities spaces of innovations, small and large. This includes innovations by those without power because they too produce components of a city, leaving a legacy that adds to its cosmopolitanism. Few places outside of cities enable this. Complexity and incompleteness also facilitate the shaping of an urban subject that overrides the religious subject, the ethnic subject, the racialized subject, and, in certain settings, also the differences of class.

However, rather than functioning as spaces for people from diverse backgrounds and cultures, the global cities of today are expelling people and diversity. Their new owners, often mostly part-time inhabitants, are very international, but that does not mean that they represent diverse cultures and traditions: they represent the new global culture of the successful, which is astoundingly homogeneous no matter how diverse its countries of birth and languages.

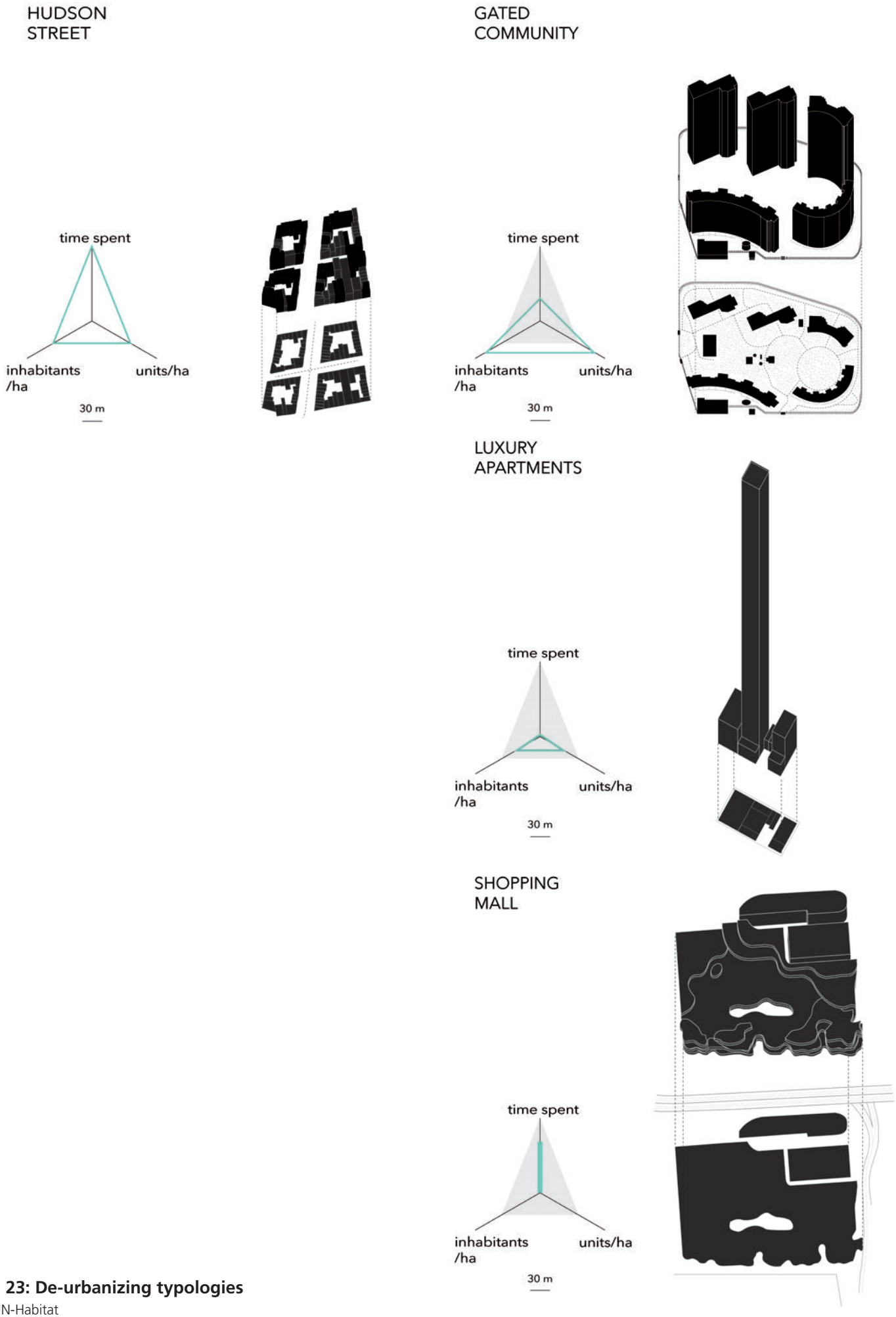


Fig 23: De-urbanizing typologies

OFFICE
PARK

1.4

Lack of access to water and the risks caused by an excess of water require a rethinking on the place and shape of future urbanization

Water is at the core of everything and at the heart of an uncertain future

Henk Ovink argues that water that is at the core of everything; it is key to all risks and uncertainties, all interdependencies and also all opportunities. It is through water that the world feels the impact of climate change the most. Indeed, water is at the core of many of the most extreme risks related to climate change, including sea level rise, and this is putting pressure on cities, societies and citizens to act soon lest the entire system collapse and leave many victims in its wake. Water is at the heart of this uncertain future.

Water is essential for social and cultural well-being. Its quality defines economic and societal prosperity and its quantity—whether too much or too little—defines societal vulnerability. Water is also critical for food and energy production. And it is an urban matter: an asset if managed right, a severe risk if not. With the world's urban population possibly increasing past 70% in 2050, it is in cities that lives and assets will be at severe risk if not developed with resilience in mind.

Urban water resilence concerns the safety, scarcity and quality of water, and this is as affected by the way cities develop as by the health of riverine basins that support them. Often the intersections between water, ecology and the economy exist at a regional scale. To act effectively at this scale communities, cities and regions worldwide need to change their approaches to be more comprehensive and resilient than in the past.

Fig 24: Water footprint of major cities

© UN-Habitat based on data from UNESCO

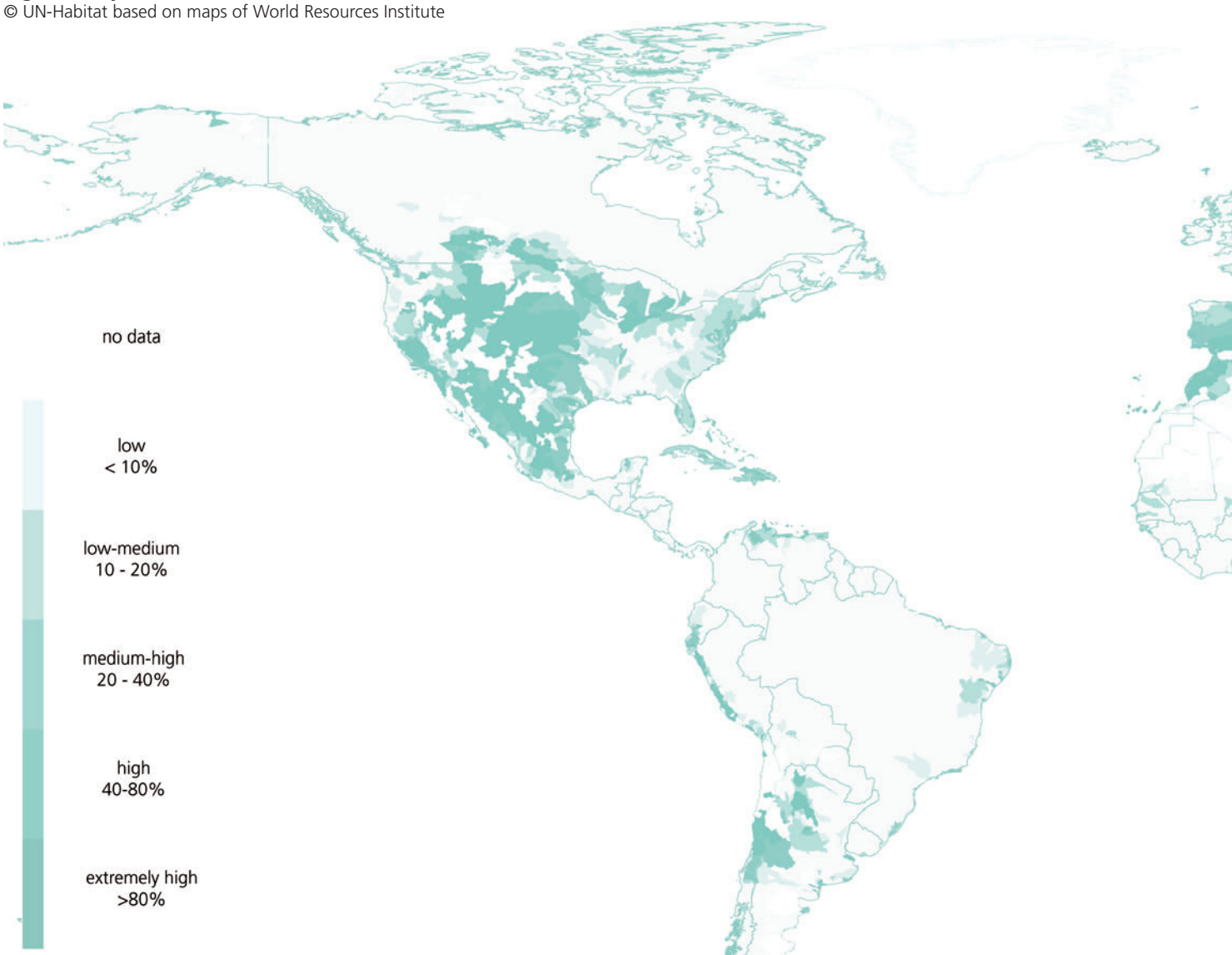
Water is global risk number one

The World Economic Forum (WEF) Global Risks Report of 2016 identifies the impact of water crises as the number one global risk for the next decade. Two billion people will be devastated by 2050 if the world continues with its current practices. Of all worldwide disasters, 90% are water related. WEF's Global Risks Perception Surveys show repeatedly that most future risks (climate change, water crises, biodiversity loss and ecosystem collapse, extreme weather events, natural catastrophes, man-made environmental catastrophes, etc.) are increasing in frequency and impact. Many of them are interdependent at the regional and even metropolitan scale. Although this increases their complexity, Ovink believes that this is also the scale at which humankind can adapt to and mitigate these risks most effectively.

In the coming decades climate change will add to the pressure that economic growth and development are already putting on both groundwater and renewable surface water resources. Global water requirements are projected to be pushed 40% beyond sustainable water supplies by 2030. The nexus of food, water, energy and climate change has been identified by the US National Intelligence Council as one of four overarching megatrends that will shape the world in 2030. The unpredictability of climate change could cause cascading crises, with a decreasing ability to grow food and access water precipitating sudden and uncontrolled population migrations. Already as of 2014, the number of refugees worldwide from environmental or conflict-related causes had reached its highest level since World War II.

The rapid, inadequate and poorly planned expansion of cities in developing countries also risks leaving urban populations highly exposed to the effects of climate change. Many cities are located near the sea or natural waterways where they are more at risk of flooding. Indeed, 15 of the world's 20 mega-cities – those with over 10 million inhabitants – are located in coastal zones threatened by sea-level rise and storm surges.

Fig 25: Projected waterstress in 2030
© UN-Habitat based on maps of World Resources Institute

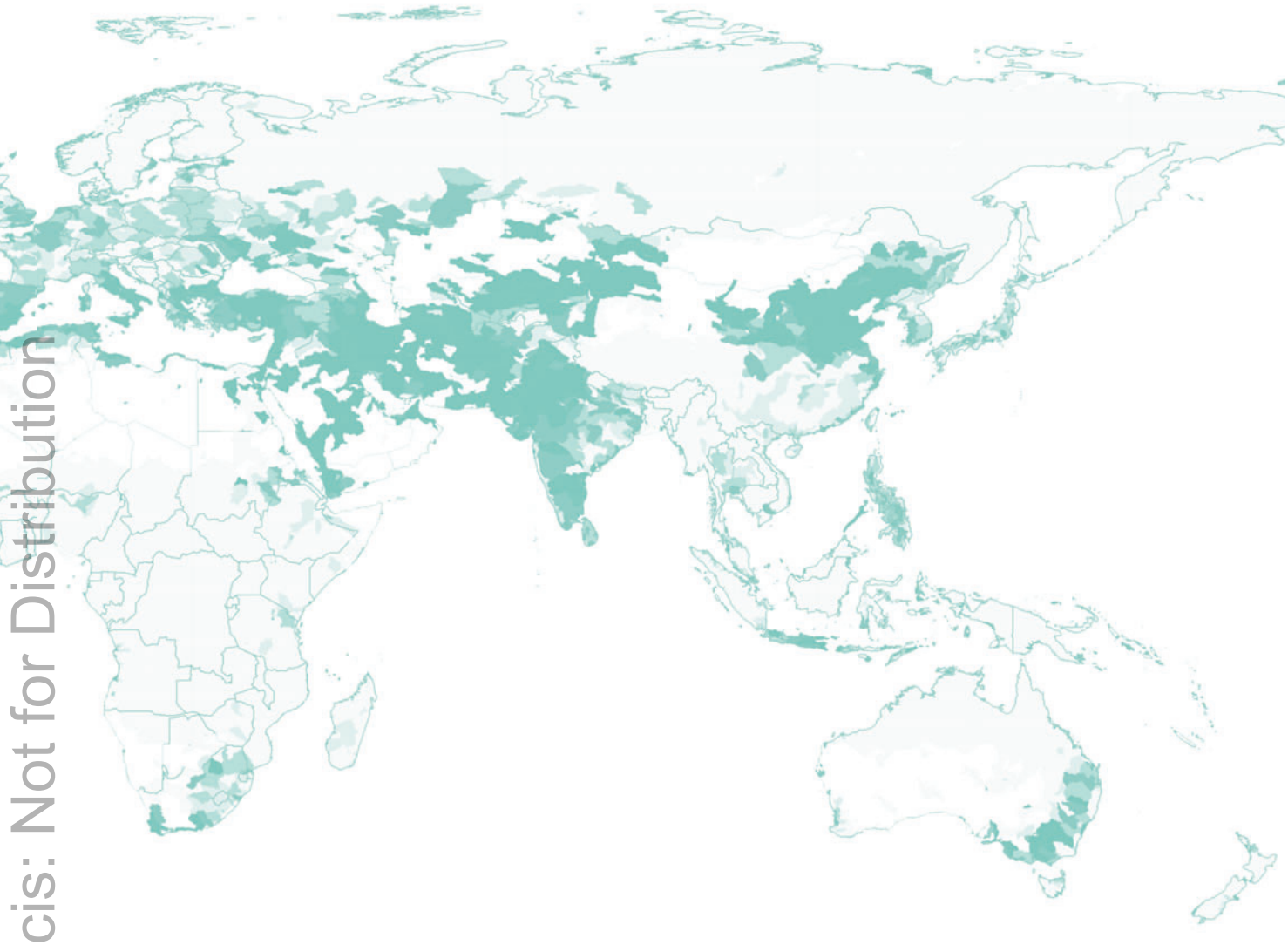


We are, quite simply, running out of water. Not seawater, but clean, potable water and this requires fresh thinking as a matter of urgency

Jane Harrison focuses mostly on the world's increasing lack of access to potable water. Securing a reliable supply of clean water has been one of the most important issues throughout human history. There is a fixed water supply on the planet, the global population is expanding and with development and economic growth the world's desire for water continues to increase. Half of the global population—four billion people—is already trying to survive without adequate water for at least part of the year and water use is growing at twice the pace of population growth. By 2025, two-thirds of the world population will be experiencing water 'stress conditions'. While the extent and nature of this stress varies from area to area, many parts of the world will need to manage their water much more effectively if they are going to sustain their growth, and in some cases, prevent a major regression in welfare. The impact of water stress will be seen across economic sectors, with the potential to generate subsequent crises: In other words, we are already living in the endgame of a water-stressed world.

In the event that populations continue to increase as current predictions suggest and that they—by desire or design—flock to the cities for work and livelihood, they will exacerbate the predicaments of existing settlements and challenge their governments in unprecedented ways. The destabilizing effects of poverty and lack of access to basic resources such as water, coupled with the impact of climate change, may strain urban conurbations to a breaking point and precipitate a desperate and even sudden disappearance of the civic milieu.

Landmasses have already been divided into complexes of multiple ownerships, seizures of minerals have led to the dissolution of the geologic commons, tracts of sea are limited by nation states, and water rights are the current favourites of the world's prospectors. Water now represents one of the last substantive commons on our planet.

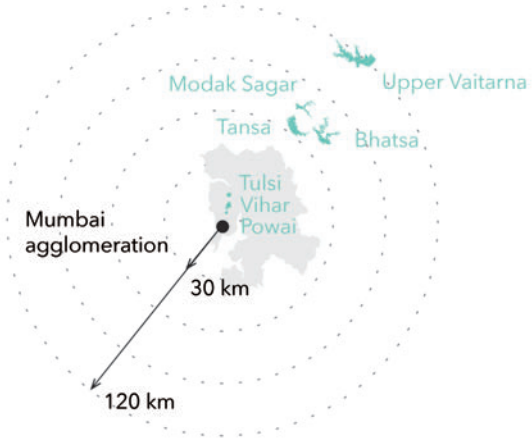


However, given the vast disparities between water appetites of the developed world and water consumption restrictions (particularly outside of the developed world), water has already begun to feel like the currency of the future. Humans are behaving less and less spiritually as they live in ways that consume and destroy the very material they depend upon to survive. The invisible hand of Adam Smith will not ensure that the world's scarce freshwater resources are allocated in a way that creates the highest value to humankind. The world must acknowledge that the wise use of natural resources is not the private territory of the market. Freshwater allocation in particular is primarily within the realm of politics.

Water is one of the last substantive commons on the planet.

Jane Harrison

Fig 26: Where does Mumbai get its water from?
© UN-Habitat based on data from Robert McDonald et al, 2014



3,220 million litres per day cross-basin transfer for 19,442,000 people

Urban development can no longer assume that water can be simply extracted from the ground and moved to where it is needed

The assumption that water can always be moved from place to place has been the primary ethos of modern urban development. The next few decades will be the most rapid period of urban growth in human history, with 2.6 billion additional urban dwellers expected by 2050. All these new urban dwellers will need water, but surprisingly little is known globally about where large cities obtain their water from or the implications of their associated infrastructure for the global hydrologic cycle.

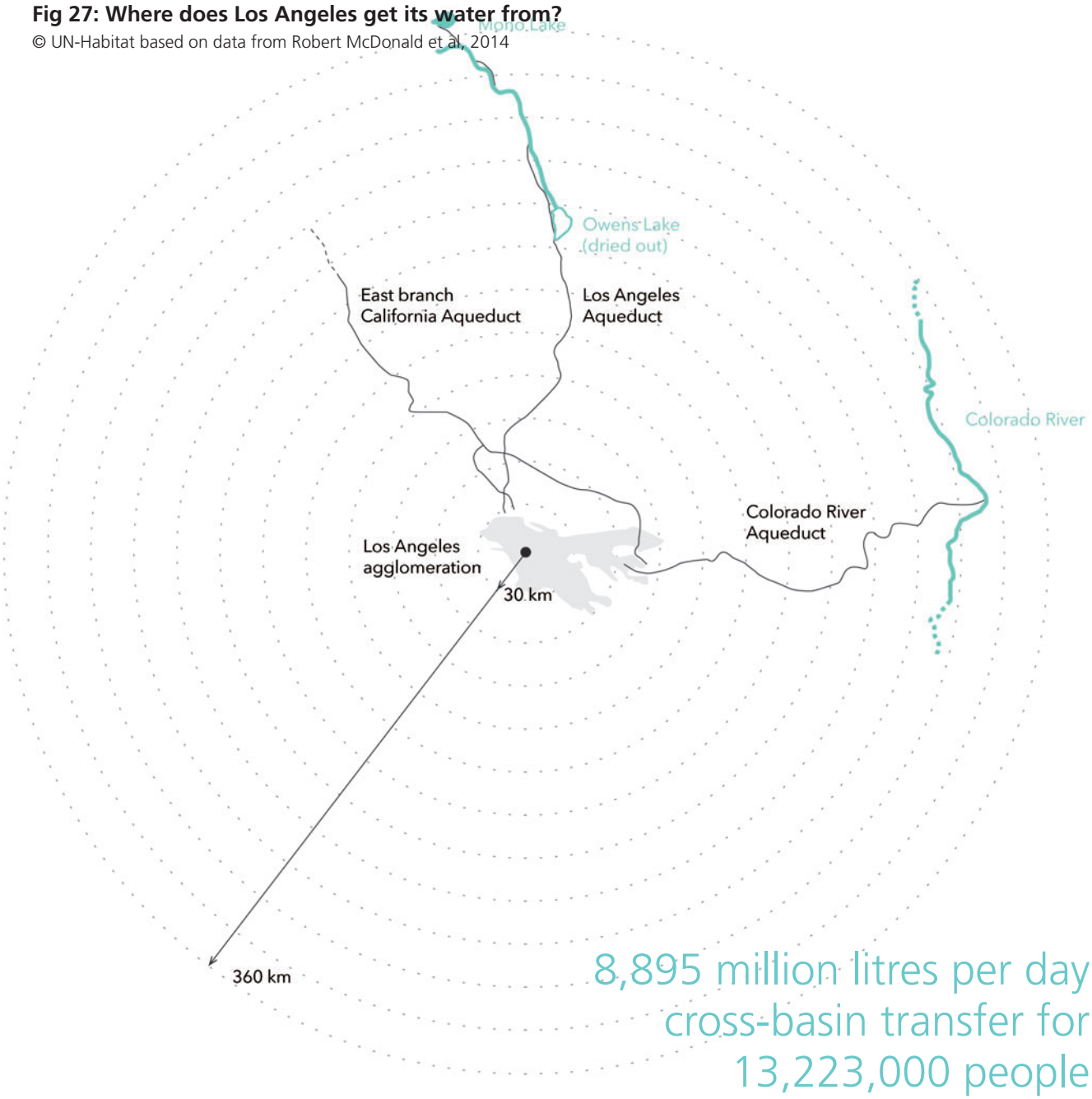
With their complex networks of urban water infrastructure, major cities, occupying about 1% of the earth's surface, are currently drawing their water across a cumulative distance of 30,000 km from almost 50% of the Earth's surface. By and large this occurs in complete disregard of the impact to those ecosystems.

Consider the deterioration of the infrastructures transporting water to major cosmopolitan centres, the expenditures needed to repair and upgrade, the impressive leakage rates, the escalating water demands of affluent societies, the water footprint of the sum total of goods demanded by a city, the energy required to move the water from its point of extraction to the taps, and the water footprint of the associated costs and the resources required to bring water from a remote location to an ever increasing population. In sum, these support the projection that by 2040 there will be a $143.7 billion shortfall in the funds required to maintain, upgrade and expand water infrastructure.

Groundwater is currently the primary source of freshwater for approximately two billion people. Groundwater extraction as a method for obtaining water has tripled in the last 50 years. More than half of the world's 37 largest aquifers are depleted. The most overburdened aquifers are in the world's driest areas, where populations draw heavily on underground water. Climate change and population growth are expected to only intensify the problem.

Fig 27: Where does Los Angeles get its water from?

© UN-Habitat based on data from Robert McDonald et al, 2014



8,895 million litres per day cross-basin transfer for 13,223,000 people

In the 1980s development programs in developing countries focused on groundwater extraction rather than on the surface water systems, based on the assumption that groundwater (underground) was an inherently safer water source for communities than surface water (e.g. rivers, ponds and canals), Surface water is susceptible to problems of pollution and evaporation, and that this shift in focus would reduce problems such as cholera. These advantages, coupled with the relative ease of tapping into a water supply at the point of need, make the extraction of groundwater very attractive. As a result people have come to rely increasingly on the digging of wells and drilling of boreholes as the mainstay of water development and the most popular way of supplying water to people.

But a reliance on boreholes can be extremely problematic. It has been reported that some 250,000 boreholes have been constructed for use in Africa, and, according to the World Health Organization, approximately 60% of these boreholes are broken or have run dry. Moreover, in many instances boreholes are drilled into non-replenishable aquifers, containing water millions of years old. Once depleted these water resources are gone (at least from the perspective of the current era of human existence). In any case, while groundwater supplies have reduced problems with bacteriological contamination, they can have serious problems with toxicity caused by salinity and high levels of fluoride.

Fig 28: Spatial footprint and rainshed of London
© UN-Habitat based on data from Jane Harrison

There seems to be a paradoxical relationship between water-stressed cities and availability of rain

Jane Harrison points to the interesting paradox of water-stressed cities located in regions that have an abundance of rain. In spite of the increasing awareness of global environmental issues in recent years, the level of water illiteracy in both the developed and developing worlds remains. Of the twenty most water stressed cities in the world, five are in India and six in China. Tokyo is considered the most water stressed city on the planet despite its annual rainfall of 1,530 mm, and drizzling London, with a mere 590 mm of rain a year, is the fifteenth. In 60% of European cities with more than 100,000 people, groundwater is being used at a faster rate than it can be replenished.

In the popular mind, Africa is seen as a dry continent. But overall, it actually has more water resources per capita than Europe.

However, much of Africa's rain comes in bursts and is rapidly swept away or is never collected. The time has come to realize the great potential for greatly enhancing drinking water supplies by harvesting more of the rain when and where it falls. There is enough rain falling on Africa to supply the water needs for 13 billion people—twice the current world. This conundrum reveals a global failure at the intersection of development and the values of the developed world, visible through the ingrained habits of engineering, certifiable greed of governments and fragile, childlike conviction that humans share in never-ending resources.

If Nairobi, with its 926 mm of rainfall annually, and considerably more than London, were planned to harvest the water required by its inhabitants what would it look like? Based on Nairobi's surface area of almost 700 km² and its population of 3.5 million an inhabitant would need the amount of water harvested from a piece of land about 16 m². If one imagined the area of Nairobi divided neatly and equally, there is 200 m² available per person. And yet there is almost no reliable water supply in the Nairobi slums and the rains pour down doing untold damage and spread-

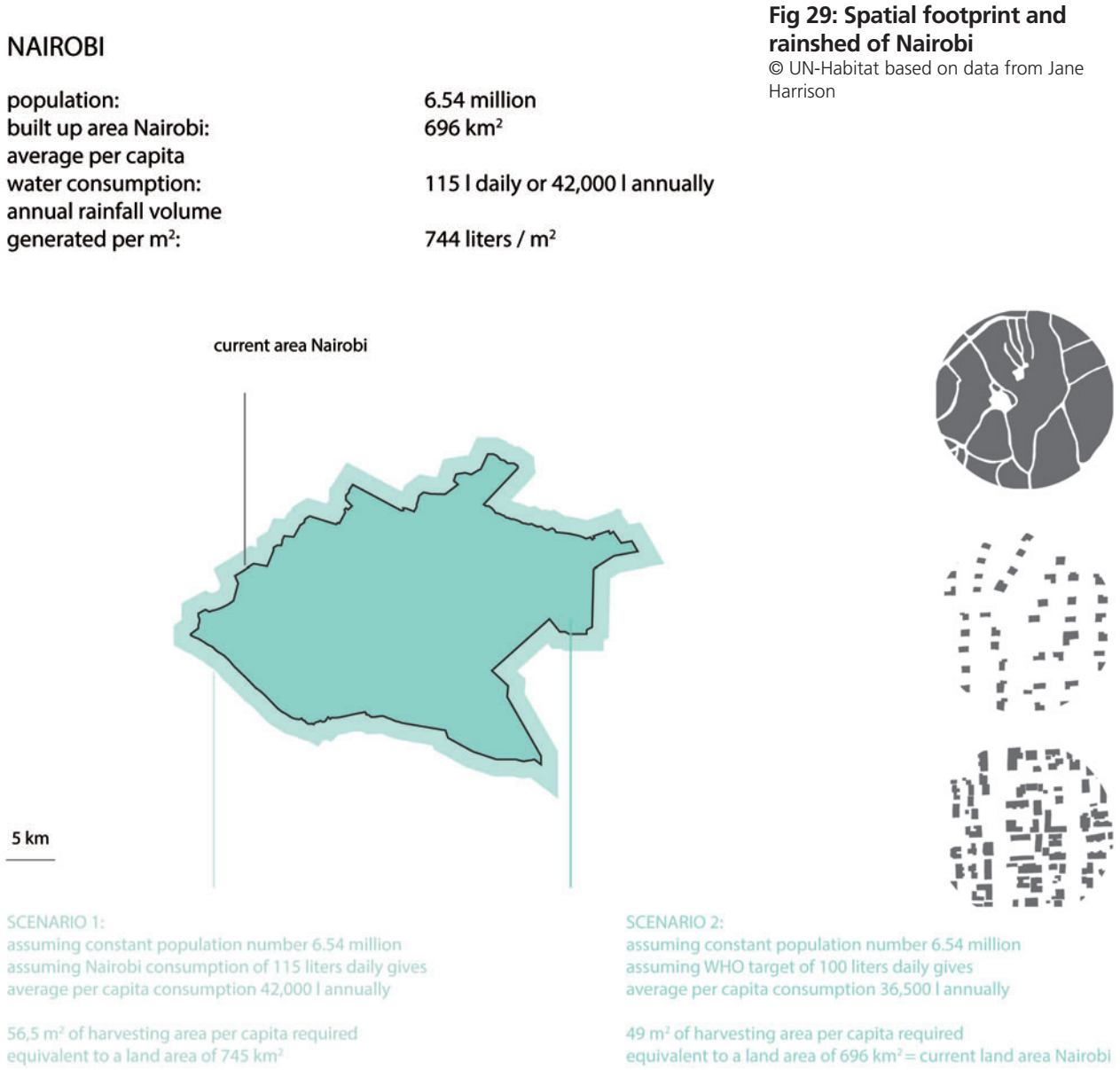


Fig 29: Spatial footprint and rainshed of Nairobi
© UN-Habitat based on data from Jane Harrison

ing disease before they evaporate in the heat and disappear.

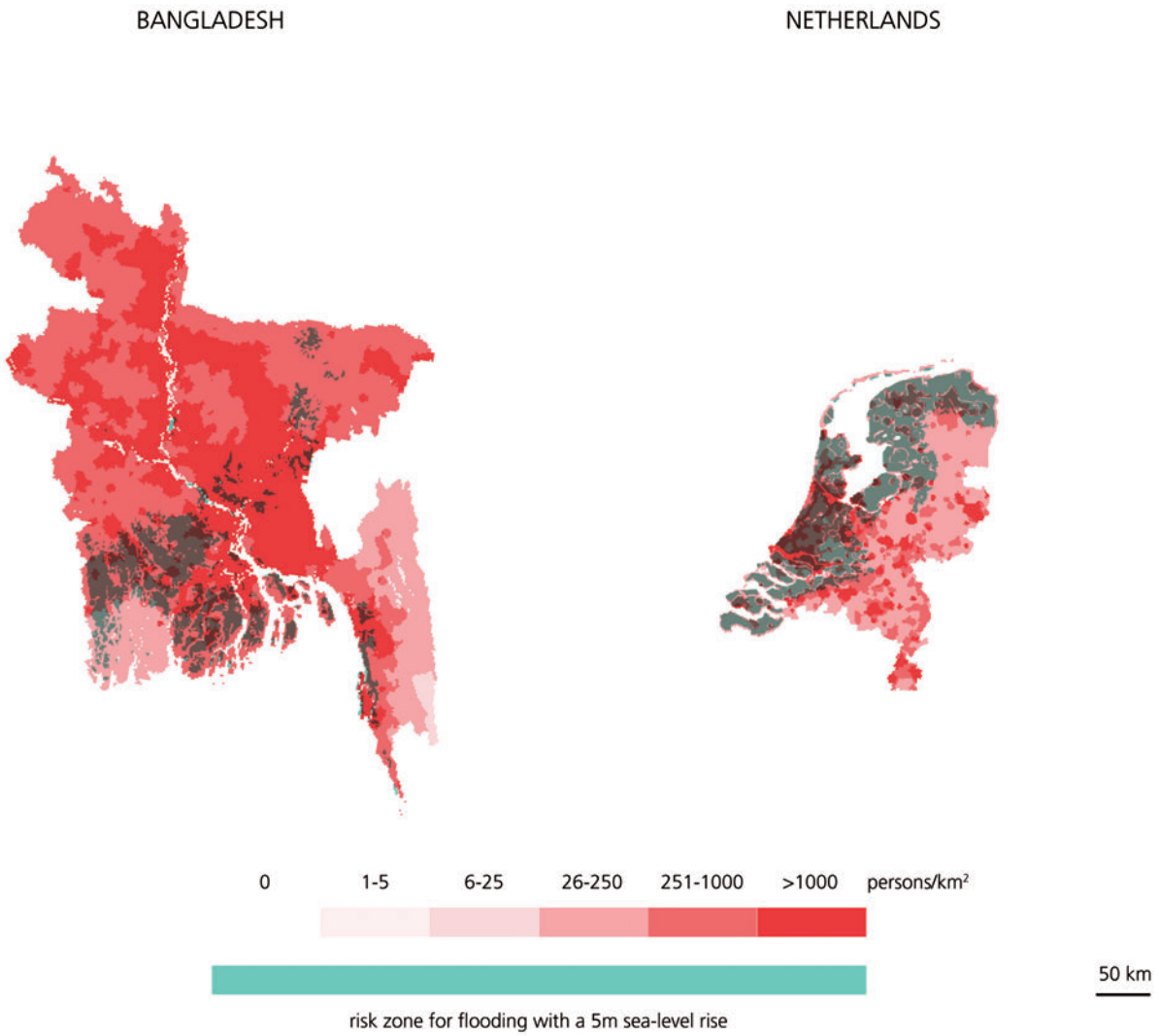
Water illiteracy will be the undoing of development unless the world acts quickly. It is essential to develop models of settlement that draw on ancient knowledge and begin to scale up ideas about cities and settlements in relation to the intelligent use of locally-available water sources, an idea known as 'reverse innovation'. The abundance of rainfall in Africa is mirrored by abundance in many of the regions of the world undergoing water stress. Eventually the world's reliance on groundwater and remote surface water systems to satisfy the water demands of dense urban populations will cease to be viable. The default assumption that desalination is an answer comes with a massive health warning and at great financial and environmental expense.

The world needs to reassess radically the relationship between urban populations, urban densities and scales, and a rather dream-like reliance upon 'remote' water. Failure to do so means growing the global economy in the short term by constructing the cities of our destruction.

Can cities shrink their water footprints by switching from remote groundwater acquisition to rainwater harvesting? UN-Habitat compared the existing spatial footprints of London and Nairobi to that which would be required for them to be completely water self-sufficient. Based on the three most common building typologies in those cities, UN-Habitat took an average of the roof coverage in each and factored in annual rainfall and existing per capita water consumption to determine their respective rainwater footprints. Further, these were recalculated based on more aspirational rates of consumption. Data and mapping appear in the diagrams above.

Fig 30: Risk zone for flooding with a 5m sea-level rise

© UN-Habitat based on data from surgingseas.com (Climate Centre + SEDAC)



Time is running out fast—radical transformative innovation is needed to fend off disaster

Ovink's call is clear. Never has there been a more challenging time nor a greater urgency. While the Paris Agreement moves forward fragilely, suddenly without one major player, the world continues to move towards the edge. The world needs to consider radically more alternative routes to the future. Most of all, this means changing the way the world makes cities. Fewer than five years remain to change the world's current trajectory. If there is any hope of not exceeding a +2 Celsius degree world—let alone the +1.5 Celsius ambition of the COP21 Paris Agreement—then we need to generate very real change now. In other words, if the curves representing the effects of climate change mitigation and adaptation—CO2 emissions, renewable energy share, sea level rise, temperature rise, and so forth—are not reduced within the next five years, then the world will never ever reach the +2 Celsius degree goal.

The inherent slowness of climate change has generally yielded a slow approach and a focus on response rather than preparedness. However, the world can choose not to go slowly and incrementally, but rather to step up, leap frog and become transformative in its approach, collective actions and collaboration towards the development of cities, regions and nations.

One major hurdle is complexity—but addressing it effectively first requires embracing it. This will create the necessary enabling environment for approaching climate change in a transformative manner. Specifically it will enable the arrangements for working in a multistakeholder, interscalar fashion at the interface of innovation and implementation, science and policy, and public and private institutions.

Rebuild by Design, initiated in New York following Hurricane Sandy, created alliances for change, mobilized the capacity of design to investigate and re-frame problems and yielded ultimately concrete projects. Bringing about cultural change requires strong coalitions. The programme has demonstrated how design, research and collab-

Fig 31: Flooding of settlements in Kalerwe, Kampala. The capital and largest city of Uganda is the 13th fastest growing city in the world, as well as one of the most thunderous places on Earth.
© UN-Habitat / Nicholas Kajoba

oration can go hand in hand with politics, policy development and investment strategies. Indeed the synergy between design and politics supports the critical processes of visualization, political dialogue and advocacy for reform.

People themselves will need to ensure adaptive, robust governance that is inclusive in both process and outcome. Design can support this by providing time to think, space for non-negotiated progress and a frame for decision making. The more people have a common connection based on a shared place the more feasible this is. It is not about a free ride for all, nor for back room plans; instead it is about governing by design, through an inclusive, innovative and collaborative approach.

Harrison makes a similar appeal. Given the impact of climate change on weather patterns, rainfall and other forms of precipitation, cities should develop building typologies that can harvest and store as much water as possible ('water banks'). Such typologies must also be able to provide enough capacity to compensate for increasingly erratic time divisions between precipitation events. Efforts are already under way to demonstrate the overlooked potential of large-scale community based rainwater harvesting initiatives, based on a local, dispersed, decentralized and non-linear approach to infrastructural construction.

The question is open to what extent lack of (potable) water and/or excess of water (sea level rise, flooding) will ultimately reshape the map of cities and global urbanization. Already local populations are contending with the difficult trade-offs inherent in responding to acute crises ranging from local adaptation ('staying') or more drastic relocation strategies ('moving'), many of which will take decades to materialize.

1.5

If democracy is to survive it will have to resist internal populism and embrace external cooperation

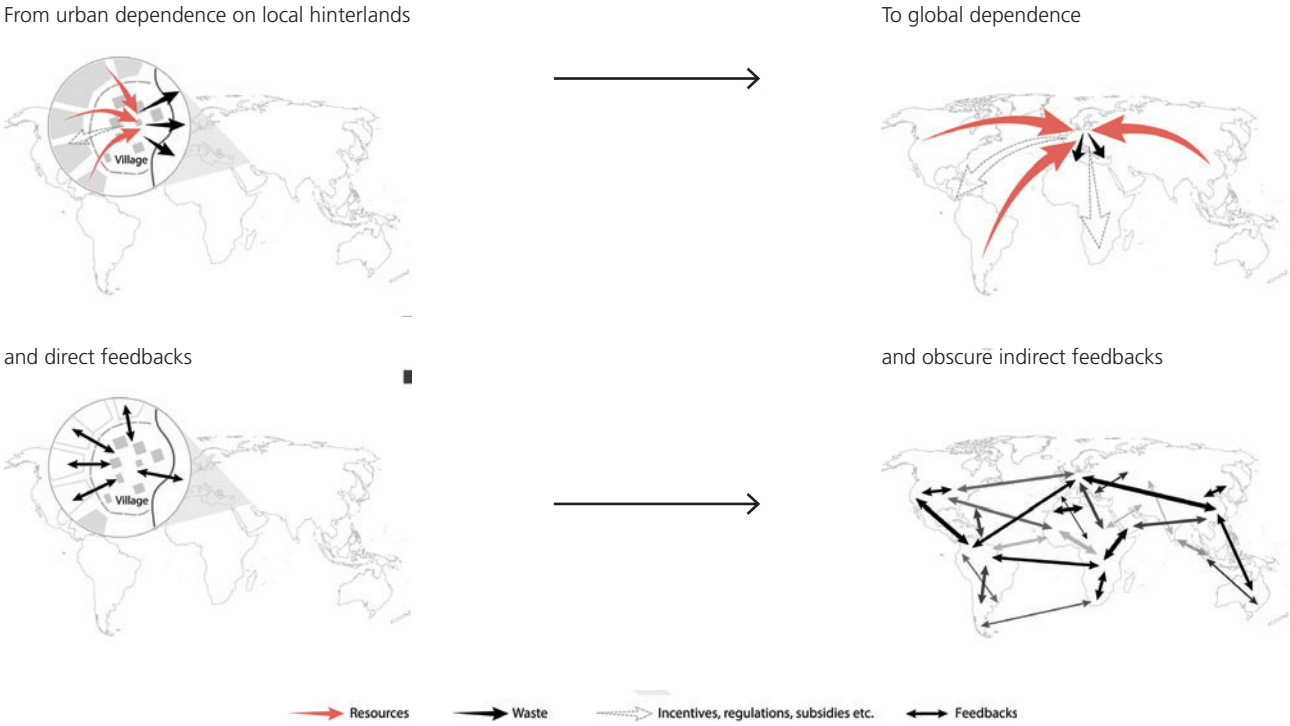
The reach of human activity is all-encompassing, challenging traditional notions of liberal democracy

Dale Jamieson and Marcello Di Paola write about how no earthly place, form, process or system escapes the reach of human activity. At the beginning of the current epoch the earth had about six million people living as hunter-gatherers; today, there are more than seven billion people, expected to grow to nine billion by 2050. Many people today command resources that not even the nobility would have enjoyed a few centuries ago; and all of them have legitimate aspirations to decent standards of living. Between one-third and one-half of earth's land surface has already been transformed by human action; carbon dioxide in the atmosphere has increased by more than 30 per cent since the beginning of the industrial revolution; more nitrogen has been fixed by humans than all other terrestrial organisms combined; and more than half of all accessible surface freshwater has been human-appropriated.

The form of life that Homo Sapiens has come to live is resource-intensive, globalized, and production-and-consumption driven. Humanity is organized in highly complex systems bound together by oil and gas pipelines, electrical wires, air travel, highways, train tracks, fibre optic cables, and satellite connections. Technology enables the production levels that have allowed humanity to grow in size to today's unprecedented numbers. It enables shipping raw materials and goods across oceans and continents, and empowers people to move around in search of a better life, inspiration or simply a good time. It also enables 'action at a distance' that would once have seemed inconceivable.

But we are not in perfect mastery of nature. The conjunction of high population, consumption and technology has unprecedented implications. Small acts can reverberate far beyond their spatial and temporal locations in surprising and unwanted ways. Humanity is changing the climate as an inadvertent by-product of other activities, and this will have unforeseen consequences, many of which will be damaging to the very species that

Fig 32: Local dependence vs. global dependence over time
© Jerker Lokrantz / Azote, 2013



is bringing them about: beyond extreme weather events, humans can expect further epidemics, food and water shortages, political instability and mass migrations. The accumulation of apparently trivial, localized, individually innocuous acts can alter fundamental planetary systems in ways that have global consequences, which in turn are locally actualized.

There is widespread agreement in the scientific community that these human-driven processes may be leaving durable marks on the planet. Together we change the climate, erode the soil and alter hydrological cycles, thus harming and burdening humans and ecosystems in faraway places and times, and ultimately bringing trouble to the very places where we live. Life has always affected the earth, but the extent to which humanity today affects the planet (and thereby itself) is unprecedented. This challenges some of the underpinnings of liberal democracy, including the concepts of agency, responsibility, governance and legitimacy.

Fig 33: Disconnect between cause and effect
In a hypothetical world with clear lines of cause and effect (diagram on left), a given country's GHG emissions would put it at greater climate risk, which, in turn, would yield greater GDP loss. In the real world (diagram on right), many countries responsible for high emissions do not themselves experience correspondingly high levels of risk nor of loss, whereas many countries with low levels of emissions experience disproportionately high risk and loss.
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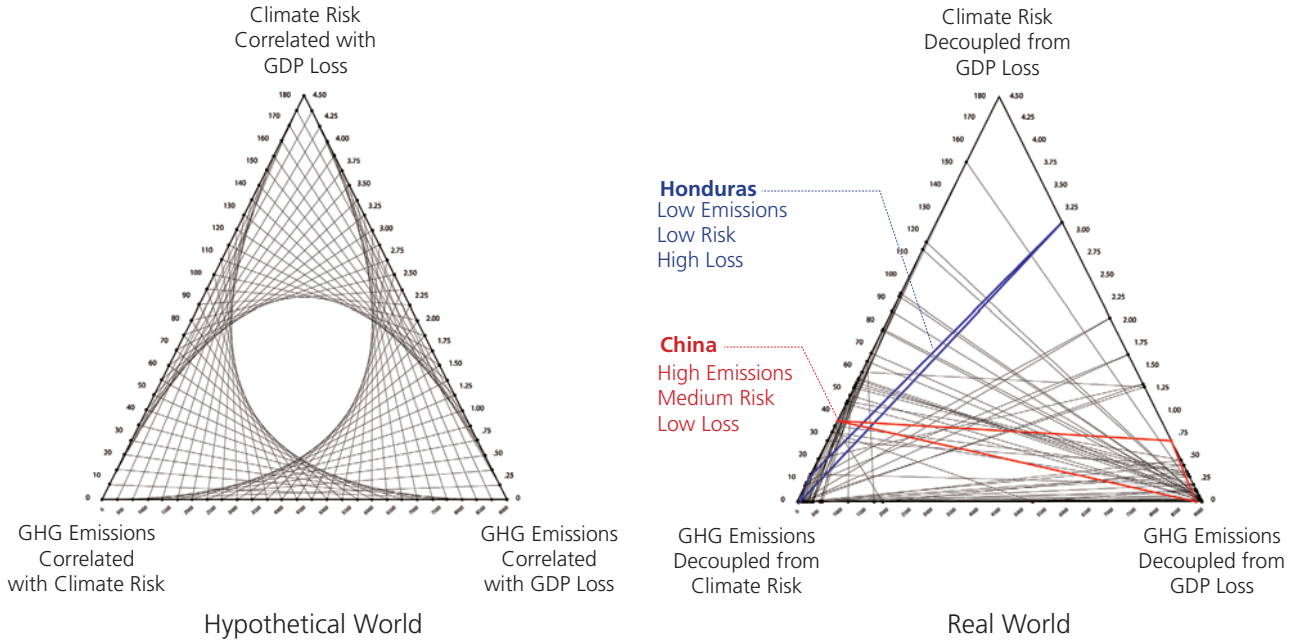

New agents, unclear responsibilities, veto players and legitimacy crises

Democracy is generally based on the notion that governments should act in the interests of all those who are governed. However, many democratic institutions arose at a time in which agents lived in close proximity, and whose decisions and actions had relatively direct impacts on each other. Around 1950, however, 'a structural shift' occurred 'from a world of discrete but interdependent national states to the world as a shared social space' (Held and McGrew, 2007: 2–3). Political decisions and actions taken locally now had planetary implications, impacting for better or worse the welfare and interests of people in all corners of the world. This represents an enormous asymmetry of power. The empire of the present not only colonizes large areas of the planet but the global future as well. However, those on the periphery (including nature) cannot participate, protest or retaliate.

New kinds of global agents have also emerged: multinational corporations, the International Monetary Fund (IMF), the World Trade Organization (WTO), financial networks and rating agencies, transnational social movements, private military companies, cross-border criminal cartels and others. Their decisions have significant impacts but lack accountability to individuals and governments. Ironically, the new global agent that many hope could coordinate a shared plan for the future—the United Nations—is too accountable to governments, and thus too heavily constrained by competing national interests to play this role. Crises such as climate change have been brought about by and will have negative impacts on humans. Yet it is difficult to make specific claims about who is responsible for what. Agents of all kinds are implicated in the rise in global temperatures, which is both global and intergenerational. Its causal mechanisms are also extremely complex. When no one in particular seems to be harming anyone in particular, no one seems to be responsible for the deaths and damages that occur. Uncertain of the culprit, no obituary will ever say of anyone that she or he was killed by climate change.

Fig 34: Influence of NRA as a veto player

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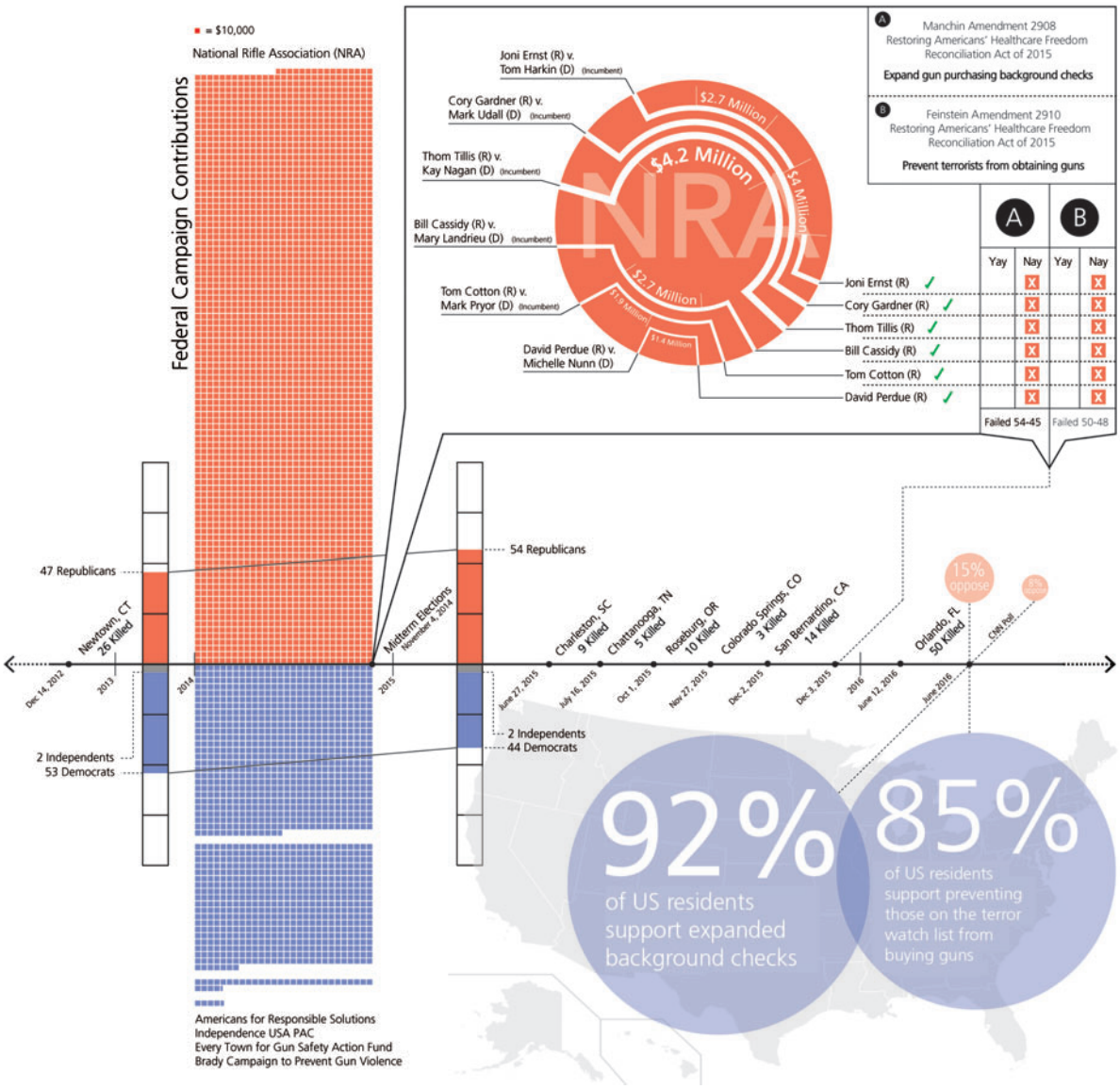


The current era is difficult to govern. With the emergence of China, Brazil and India, the world order is attempting to adjust to shifting power distributions. However, as the cooperation of these new giants becomes more valuable, the price for obtaining it rises. This is complicating negotiations, causing gridlock in international cooperation. Within countries, dysfunctional 'veto players'—which can include parliaments, political parties, powerful industries and others—also prevent changes to the status quo. This is attractive when the status quo is desirable (e.g. preserving important policies through periods in which they are unpopular). However, when the status quo is undesirable, veto players block the flexibility needed for change. For every possible policy change there is always a 'do-nothing' alternative, all too easily fuelled by uncertainties about transition costs and final pay-offs. The imperatives of change are often hard to accept. As a result, the challenges of our era have thus far largely been met by inaction, squabbling and denial.

In many countries, confidence in government has never been lower. Populist movements are on the rise, advocating for change by popular demand that would circumvent entrenched veto players and institutional agents. Such movements are fired by vivid, visceral and even uncivil expressions of disagreement that proliferate on the internet and intensify anger and impatience. And they represent substantive challenges to the legitimacy of liberal democratic institutions, which often either seem ineffective or corrupt. Citizens register a loss of jurisdiction over political life and even express difficulty in developing informed views about key issues. Much of what goes on in any given democratic country is, in fact, never consented to by its citizens. In the past, the governed could be expected to consent to policies that had beneficial consequences and were justifiable by the lights of public reason. The circumstances of today block all traditional sources of liberal democratic legitimacy.

Institutions of governance will have to work at multiple scales in both space and time, incorporating the interests of the global with those of the local, and those of the future with those of the present.

Dale Jamieson and Marcello Di Paola

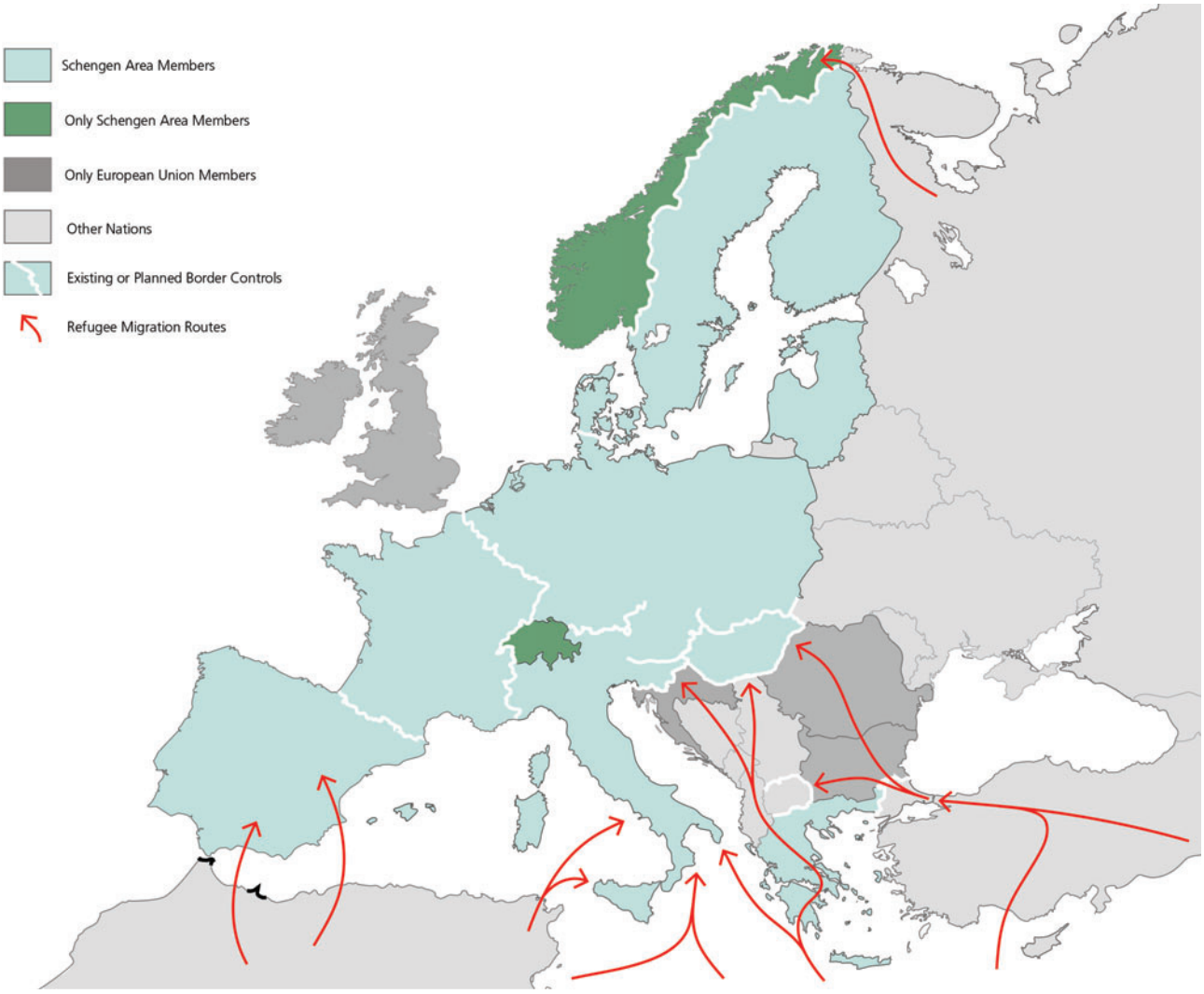
States will have to muster the internal coherence to resist populism and the external coherence to be more cooperative

Innovation in both theory and practice is required if the core values of liberal democratic politics are to survive in this new epoch. The existing democratic deficit in liberal states will generally have to be reduced. All the same, and particularly in the case of climate change, states will have to muster both the internal coherence and strength to better resist populism, and the external coherence and strength to be more cooperative partners within the framework of supranational institutions. This seems to suggest, perhaps paradoxically, that political institutions will have to be more democratic in some respects and less democratic in others.

Governance today is cooperation-hungry at all levels, including intergenerationally. Institutions of governance will have to work at multiple scales in both space and time, incorporating the interests of the global with those of the local, and those of the future with those of the present. Currently, we heavily discount the interests of the future and the far. In any case, it is difficult to see how to adequately take into account the interests of the future and the far without unjustly subordinating the interests of the near and the present, especially given the centrality of the agency presupposition in liberal democratic theory. Democratic governments are supposed to be responsive to all those who are governed, but those beyond their borders in space, time or citizenship are not governed but only affected.

Perhaps the best we can hope for is that we are entering a period of intense experimentation in both political theory and practice. Non-agents could find refuge in our politics through the introduction of institutions for the future, innovative global redistributive programmes, science courts, green courts, enlarged suffrage to children and advocates for animals and the rest of nature, and novel possibilities for participation. It remains to be seen if and how they will work, who will win and lose, who will be made responsible for what, and who will decide about

Fig 35: A theoretically border-free Europe with actual and planned borders
© UN-Habitat based on data from Business Insider, March 2016



all this. While we must begin to act now, we will not know the answers to many of these questions for a very long time. No single agent can solve the problems of our era.

Cooperation among political agents is necessary but it remains structurally elusive. Individuals have their daily preoccupations, politicians have their constituencies to protect, governments have national interests to promote, global agents have their own different agendas, and digital agents are a vast, enveloping force whose contributions are crucial yet unstable. The fact that the required cooperation also extends across generations complicates matters further. This shifting and only partially coherent landscape of agency leaves us disoriented and sceptical about our capacity to manage our ecological entanglements. Indeed, the main obstacle to taking action on climate change may well be the deep sense of its inevitability and our inability to affect its course.

The irony is that after centuries of modernity and its contributions to human welfare and autonomy, we find ourselves with the widespread sense of a loss of agency. Together, we are remaking the planet and undermining the conditions of our own existence, though no individual or collective decision was ever made to do so.

A phenomenon like climate change creates the potential for ubiquitous tensions and trade-offs between the present and the future, and more generally between agents and non-agents – those who are governed, and those who are affected. Even if those benefits to non-agents were great and justifiable by public reason, they might not be consented to in democracies already accused of not being insufficiently responsive to their citizens. If consent is important, ignoring or heavily discounting the welfare and interests of non-agents may be a wrong that democracies cannot avoid committing.

WHO OWNS THE CITY?

SASKIA SASSEN

Cities have generally succeeded in enabling a variety of ownership regimes for their diverse material components. And they have done so across multiple historical periods and governing formats. This points to a remarkable capacity of cities to survive enormous, and often radical, transformations. In contrast, powerful formal actors—royal houses, government systems, the major enterprises of an epoch—have not. They are dead. But the cities themselves are still there: they have outlived far more powerful but closed systems. This marks a sharp difference between cities and other major entities, from rulers to private corporations.

Strong as these features of cities are, they are not indestructible. In this paper I focus on the massive increase in the buying of urban properties that is playing out today in a rapidly expanding number of cities. Of particular concern here are two features: one is the underutilization of those bought properties, and the other is the slippage in the capacity of existing urban legal regimes to govern, oversee, or regulate this explosion in acquisitions. While it is only a hundred or so cities that seem to be in play at this point, they signal a possibility of legal innovations that may alter long-existing traditions about who owns the city, notably, that no single entity owns the city. This multiplicity of ambiguous regimes that has ruled and enabled cities for centuries is today under direct threat from major corporate acquisitions and legal innovations.

Cities: complex but incomplete

A key marker of cities is that they are complex but incomplete systems that cannot be fully controlled. It is this mix of complexity and incompleteness that has given cities their long lives across enormously diverse historical periods. And a key consequence of this ambiguity is that cities have long been spaces where those without power have been able to make a history, a culture, an economy of sorts. The neighbourhoods—the spaces of modest, not rich or elite urban inhabitants, have outlived powerful regimes that have all come down.

These are also the features of cities that have enabled the powerless to make claims. Today the city remains a far stronger enabler of such claim-making by those without power than are mines and plantations which once were such spaces but today are fully controlled and even militarized. Across the centuries it is also these features of cities that enabled the bazaar culture—where members of very diverse religions could trade with each other and constitute merchant traditions that cut across all kinds of differences. The bazaar was a space that enabled this. And when the workday was over, each different ethnic or religious group retreated to its community and engaged in its particular culture and religion. Out of this emerged the importance of trade and the civic, as we name it in western modernity—it was given other names in non-western geographies where these same features were evident. It is these centuries-old features of cities that continue to enable those without power. These are urban capabilities.

And it is these capabilities that are under threat today. They are literally being demolished in more and more of our great cities. It is this sense that what could outlive wars, power and time, is now being destroyed, devalued. This has certainly also happened in the past—and history has shown us that a city destroyed is a city ready to be rebuilt. Yet each epoch in time and space is shaped and re-shaped in specific ways.

My concern here is with our current period and its specifics. Against the larger historical survival of the urban, I examine sharp trends in a growing number of major cities that point to a disturbing, even if partial, de-urbanizing of those cities. Might these trends tell us a larger story? At its most extreme, are we witnessing the repositioning of the city as a valuable commodity—and perhaps even a financializing of that commodity?

Property regimes

Most buildings in a city tend to be privately owned. It has long been so in most countries. It continues to be so today, but with a difference. Much of the corporate buying of properties in major cities of the world has a weak utility function: buying not in order to use them, but rather just to own them. Many of these buildings are under used and functioning more as a storage space for capital.

This stands in sharp contrast with another accelerating trend in those same cities: the escalating price of modest housing which is now excluding more and more of the middle classes from home ownership. This has generated some major issues in a growing number of cities. One of these is that it is threatening the capacity of the working and middle classes to get housing, something that becomes quite problematic in the case of emergency staff, notably firefighters and nurses. Another is the proliferation of megaprojects where before there were streets, little parks, public offices that served residents needs, and more. The corporate buying of urban buildings which are then only partly used also stands in contrast to a third trend: the vast expansion of 'the periphery', an ambiguous zone of mostly low-rise, poor housing that is neither city nor quite slum.

The massive foreign and national corporate buying and under-using of urban buildings that took off after the 2008 crisis marks a new period. The juxtaposition of high prices and the underusing of those buildings departs from what was typical in past periods—most recently in the 1980s, when the global economy led to much foreign buying of valuable properties. The difference with that earlier period concerns both the lesser scale of buying compared to today's phase, and the stronger utility function of that earlier period—strong profits, getting a foothold in major financial centres, etc. A further difference is the juxtaposition of the underutilization of those properties with the extremely high demand for housing by the modest middle classes who have been priced out in a growing number of major cities. And then there are those extremely dense peripheries, on the one side, and those empty underused mansions.

This scale of corporate buying signals an emergent new phase in major cities. A hypothesis here is that at a time of somewhat generalized crisis along with a vast concentration of capital at the top of the system, the buying of buildings in major cities might be one of the better investments for the rich, though coming at a high price for cities. Another major question this raises is whether

some of this buying of buildings is actually the buying of urban land. Here one key issue is whether the contracts being developed by today's corporate buyers begin to take over and neutralize older, often weakly formalized, regimes concerning who owns the land beneath the building. In many older cities the rules about land ownership go back to times when such contracts were likely to be shaped by custom. These types of questions are a key element for establishing what matters about this growing corporate investment and the contractual consequences it might entail for urban governance.

What is different in today's corporate buying of urban properties?

It is easy to explain the post-2008 investment surge as more of the same. After all, also the late 1980s saw rapid growth of national and foreign buying of office buildings and hotels, especially in New York and London. I already wrote about this in The Global City (1991, 2001, ch 7), notably, that a large share of buildings in the City of London were foreign owned at the height of that phase. Financial firms from countries as diverse as Japan and the Netherlands found they needed a strong foothold in London's City to access Continental European capital and markets.

There is, then, something familiar in this current post 2008 surge in acquisitions. But an examination of the current trends shows some significant differences and points to a whole new phase in the character and logics of foreign and national corporate acquisitions. Let me add that I do not see much of a difference in terms of the urban impact between national and foreign investment. The key fact here is that both are corporate and large scale: this is what is critical.

Six features stand out. One is the sharp scale-up in the buying of buildings, even in cities that have long been the object of such investments, notably New York and London. The Chinese have most recently emerged as major buyers in cities across the world. Today there are about a hundred cities worldwide that have become significant destinations for such acquisitions. Indeed the rates of growth are far higher in some of these than they are in London and New York, even if the absolute numbers are still far higher in the top tier cities. For example, the foreign corporate buying of properties from 2013 to 2014 grew by 248% in Amsterdam/Randstadt, 180% in Madrid, and 475% in Nanjing. In contrast, the growth rate was relatively low for the major cities in each region: 68.5% for New York, 37.6% for London, and 160.8% for Beijing.

The second feature that stands out is the extent of new construction. In the older period of the 1980s-1990s it was often about acquiring buildings: notably high-end Harrods in London and Saks Fifth Avenue in New York, and trophy buildings such as Rockefeller Centre in New York. There were, however, also some massive new developments, notably in London and Tokyo. In the post-2008 period, much buying of buildings is to destroy them and to replace them with far taller and far more corporate and luxurious types of buildings—basically, luxury offices and luxury apartments.

The third feature is the spread of megaprojects with vast footprints. This inevitably kills much urban tissue: little streets and squares, density of street level shops and modest offices. Such megaprojects raise the density of the city, but they actually de-urbanize it. Thereby they bring to the fore the fact—easily overlooked in much commentary about cities—that density is not enough to have a city.

A fourth emergent feature, for now confined to a limited number of countries, is the foreclosing on modest properties owned by modest income households. This has reached catastrophic levels in the US, with the Federal Reserve data showing over 14 million households have lost their homes in a very short but brutal history of about seven years. One outcome is a significant amount of empty or under-occupied land. How this land might be used is unclear, but there it is.

A fifth feature is the development of a whole new market for high-end housing. This is an invented market, with minimum prices—practically speaking, it includes only properties of a minimum price of about US$ 20 million. This closed market functions in a limited number of cities. It represents yet another claim on urban land by those who are not necessarily deeply connected to the daily lives of those cities.

A sixth feature is the acquisition of whole blocks of underutilized or dead industrial land for site development. Here the prices paid by buyers can get very high. One example is the acquisition of a vast stretch of land in New York (Atlantic Yards) by one of the largest Chinese building companies for US$ 5 billion. Previously the land was occupied by a mix of modest factories and industrial services, modest neighbourhoods, and, more recently, artists' studios and venues as they were pushed out of lower Manhattan by large-scale developments of high-rise apartment buildings. This very urban mix of occupants in Atlantic Yards has been thrown out and will be replaced ultimately by fourteen formidable residential luxury towers.

Also here we see a sharp growth of density that actually has the effect of de-urbanizing that space. It will be a sort of de facto 'gated' space with lots of people. It will not be the dense mix of uses and diverse types of people we think of as urban. This type of development is taking off in many cities, mostly with virtual walls, but sometimes also with real walls. I would argue that with this type of development the virtual and the actual walls have similar impacts on the de-urbanizing of pieces of a city.

The basic facts

The latest estimate of the global value of real estate assets according to Savills is US$ 217 trillion; to clarify, this refers to all real estate that has been financialized so it can be bought and sold in diverse markets as an asset, without having to bother with the actual building. This includes all types of properties. It is important to recall that most property in the world is modest and has not been financialized. My focus in this paper is on large corporate buying of existing properties. These properties might be used as they are, renovated, let standing empty as a way of storing capital, or torn down in order to build a more valuable type of building that can deliver higher profits.

Taking just the two most recent years, corporate buying of existing properties reached over US$ 600 billion from mid-2013 to mid-2014 in the top 100 recipient cities, and over US$ 1 trillion from mid-2014 to mid-2015. These figures include only major acquisitions; in the case of New York, for instance, this means only properties with a minimum price of US$ 5 million dollars. Further, this list includes only the buying of property; it excludes large amounts spent on the buying of urban terrain for site development.

These top 100 cities as ranked by the value of national and foreign buying of property in 2013-2014 account for 10% of the world's population, but 30% of the world's GDP, and, even more extreme, 76% of property acquisitions that have entered the financial circuit. It is important to distinguish these financialized properties (a small minority of all properties in the world) from those that trade on more traditional real estate markets, many of which are now also global markets. The former exist in two very diverse circuits: one circuit is the familiar buying and selling of properties, and the other exists only in electronic space as a financial asset that can circulate in multiple markets and be bought and sold many times over.

Giving added weight to this pattern of acquisitions, in the current period growing numbers of developed countries have seen massive foreclosures on low and modest income households, especially in the US, several European countries, and some Asian countries. The US is where this particular type of abusive instrument was invented and has produced, according to the Federal Reserve, up to 14 million foreclosures that have led to owners losing their homes. Let me point out that 14 million homes can entail well over 30 million people. One result has been an abundance of unused houses in fairly central urban land, not an insignificant outcome at a time when urban land is of great interest to investors. This instrument can travel globally, so it has been sold in Europe where the foreclosures are also accumulating. By now Germany has over a million households under foreclosure; a lot in a country where most households rent rather than buy housing (see Sassen 2014, ch 3).

The instrument involved is perversely brilliant in that it allows investors to use these mortgages in order to build asset-backed securities. It persuades what are in fact mostly low-income households that they can buy a house, and asks them just to sign the contract, and, mostly, not to pay anything for years. All this financial instrument required in order to function was a signature, no money asked. The profits were to be made, and they were vast, by selling the financial instrument as an asset-backed security to the high-level investor world. How the newly emptied urban ground will be used is not certain. Corporate acquisitions and site development may well become the next step. The redeployment of urban land towards new uses has emerged as a major trend of the current period—and is, of course, part of a long history of urban rebuilding.

This proliferating urban gigantism has been strengthened and enabled by the privatizations and deregulations that took off in the 1990s across much of the world, and have continued since then with only a few interruptions (see Sassen 2008, chs 4 and 5, and 2014, ch 3). The overall effect has been a reduction in public buildings and an escalation in large corporate private ownership. This brings with it a thinning in the texture and scale of spaces previously accessible to the public—a space that was more than just public buildings. Where before there was a government office building handling the regulations and oversight of this or that public economic sector or addressing the complaints from the local neighbourhood, now there might be a corporate headquarters, a luxury apartment building or a mall.

Density alone does not a city make

We might ask what a city is if it cannot be simply identified by the density of its built environment. My answer is that density matters, but a city is a complex and incomplete system: in this mix lies the capacity of cities across histories and geographies to outlive far more powerful but fully formalized systems. London, Beijing, Cairo, New York, Johannesburg, Bangkok, to mention just a few, have all outlived multiple types of rulers and firms across the centuries.

In this combination of complexity and incompleteness also lies the possibility for those without power to be able to assert 'we are here', 'this is also our city'. Or, as the fighting poor in Latin American cities legendarily put it, 'estamos presentes': we are present; we are not asking for money, but just letting you know that we are present. To a large extent it is in cities where the powerless have left their imprint—cultural, economic, social—even if mostly in their neighbourhoods; eventually each one of these imprints can spread to a vaster urban zone as 'ethnic' food, music, therapies, and more. None of this can happen in an office park, no matter its density; in such privately controlled spaces low-wage workers can work but not make. Nor can they in increasingly militarized plantations and mines (where in the past workers could gain complexity in their powerlessness by the sheer concentration of their numbers). Today it is in cities where that possibility of gaining complexity in one's powerlessness and leaving a historic trace can happen—in our large, messy and somewhat anarchic cities because nothing can fully control such diversity of peoples and engagements.

When I ask myself where is today's frontier zone, my answer is: in our large cities. The frontier is a space where actors from different worlds have an encounter for which there are no established rules of engagement. In the old historic frontier this led to either negotiation with indigenous peoples or, mostly, to their persecution and oppression. The frontier space that is today's large, mixed city offers far more options. Those with power to some extent do not want to be bothered by the poor, whom they often abandon to their own devices. In some cities (for instance in the US and Brazil) there is extreme violence by police, and yet this can often become a public issue, which is something; perhaps a first step in longer trajectories of gaining rights. It is in cities where so many of the struggles for vindication have in the past and are today taking place. And in the long run, these struggles have partly succeeded. But this possibility of complexity in one's powerlessness; the capacity to make a history, a culture, and so much more; much of this is today threatened by the surge in large scale corporate redevelopment and privatizing of urban space.