A Personal Prologue

between the programs of the respective donor agencies leads to the conclusion that "if your only tool is a hammer, every problem is a nail."

This contradiction between the scale and impact of assistance and the size of the global development challenge to be addressed suggests that *assistance to cities must have other, broader, and deeper justifications than simply providing basic services to slum dwellers.* The "place" or priority of cities and towns in national economic and social development strategies must be reframed, with new justifications and importance.[5]

During the 1970s, urban assistance began as support for low-cost housing solutions accompanied by basic infrastructure – sites and services and slum upgrading.[6] Aid agencies in effect entered the city "through the house and the bathroom." In the 1980s, a new emphasis was added, a shift toward strengthening the capacity of local institutions, primarily municipalities, as assistance was provided to improve "urban management." In the 1990s, new emphases went in two directions: first, on enhancing the contribution of cities to national economic and social development;[7] and later on, encouraging the development and efficient functioning of markets.[8] An assessment of current aid policy documents and Web sites suggests that present emphases seem to be rooted in the Millennium Goals and City Development Strategies as proposed by the Cities Alliance (see table 1).

Given the history of shifting justifications and very different views of the meaning of "urban," even by the same institutions and professionals, this paper poses the question: *What are the broader justifications for urban assistance within contemporary evolving global political and economic contexts and the changing forms of urban life?* Indeed, how are urban phenomena related to the most challenging and controversial debates of the day? I would suggest that it would be productive to examine *six important debates* from the perspective of the city in order to identify issues that might be germane to an agenda for future urban assistance:

The future of neoliberal frameworks for economic and social development
The scale of projected demographic growth
The role of networks in affecting the evolution of civil society
The conflicts between global and local cultures
How development assistance might reduce poverty and inequality
The need to articulate values

The City and the Neoliberal Framework

The current heated debate between developing countries and the institutions defending the "post" Washington Consensus – the International

tivity. This policy objective might have had some validity 30 years ago but is hardly defensible today, unless nostalgia is a justifiable criterion for national economic development policies.

Higher levels of urban incomes and productivity are the results of economies of scale and of location and cannot be attributed to subsidized levels of public expenditure. Those who believe that public expenditures are the critical factors in economic growth fail to understand the significance of internal markets.[12]

Table 1. A Comparative Analysis of Urban Development Policies of Selected International Donor Organizations

Organization	*Urban Development Policy*	*Definition of Capacity Building*	*How Capacity Building Is Done*	*Investment in Capacity Building*
Cities Alliance	Based on two programs: City Development Strategies, which links local stakeholders to define, analyze, and establish priorities for action and investment; and City-Wide and Nation-Wide Slum Upgrading, which improves the living condition of at least 100 million dwellers by 2020			Total approved grants as of January, 2003: $33,407,078 Capacity building is 14 percent of total (estimated)
UN Habitat	The Global Campaign on Urban Governance aims to support the implementation of sustainable human settlements development in an urbanizing world. The campaign's goal is to contribute to the eradication of poverty through improved urban governance. There is a growing consensus that the quality of urban governance is the single most important factor for the eradication of poverty and for prosperous cities	Increase the capacity of all levels of government to reflect the priorities of communities, to encourage and guide local development and forge partnerships among the private, public, voluntary, and community sectors	Through decentralization, partnership and international cooperation, and participatory urban management	Not found
World Bank Urban Development	Based on the following programs: City Development Strategies; Disaster Management Facility; Housing and Land Group; Local Economic Development; Municipal Finance; Urban Strategies; Urban Services to the Poor; Urban Poverty; and Urban Waste Management	Assign revenues and expenditures to ensure that local governments have the revenues with which tthe ues wive .002 Tcthe		

Ministry of Foreign Affairs, Netherlands	The principal objective of the General Direction for International Cooperation is sustainable poverty reduction	Institutional

ture is a necessary but not a sufficient condition for

For example, a recent book by Albert-Lazslo Barabasi, *Linked: The New Science of Networks*,[18] suggests that the expansion of networks means that early nodes have more time than latecomers to acquire links. This means that growth offers a clear advantage to the senior nodes, making them the richest in links. The principle of the 'rich get richer' reflects the power relationships in real networks and social relations. The challenge of inclusion of poorer nodes or cities is thus very important if network formation is to be something different than one more mode of differential power and control. To ignore the differential power of nodes within a network is to misunderstand the limitations of the networks themselves. Phrased more directly: Networks also reflect existing power relations and hierarchies, as well as their differential access to information, resources, and opportunities. To assert that networks, therefore, are necessarily facilitators of democratic civil society is to ignore some of their most important features.

I believe that this observation is important because, to the extent that urban assistance tends to operate through networks and/or be legitimized by networks, these processes are not necessarily legitimizing in their own right but rather reflect preexisting power relations.[19] In this sense, they also establish ground rules and determine what ideas and questions are credible and legitimate.

It is interesting to think back to the 1990s from this perspective. That decade saw major achievements in building international urban partnerships and organizations among cities. By the end of the 1990s, one important perspective on globalization was the assertion that previously independent jurisdictions were now 'networked.

However, we also learned in this period that linkages and connections could create new forms of vulnerability.

These forms of vulnerability ultimately caught up with Argentina, which eventually collapsed under the weight of growing debt, arising in part due to climbing global interest rates and ridiculous marketwide assessments of country risk, such as one period when Argentina's country risk was higher than Nigeria's — an obvious absurdity. Neighboring Brazil was much larger and more independent than Argentina and was able to mitigate such effects, to some extent.[20] One conclusion from this experience is that *there are major asymmetries of power and weakness within networks of nations and cities.*

This leads me to question the 'Hypothesis of Urban Convergence' that I presented in 1995, when I argued that cities in the North and South were experiencing a common set of conditions: unemployment, infrastructure deterioration, environmental decline, budget crises, and collapsing social cohesion.[21] Although the presence of mayors and urban officials from many cities at the same meetings was a cause for some celebration of growing communications and 'network building' in the 1990s, their differences should also not be underestimated. Cities and their representatives came to the table with vastly different resources, opportunities, and constraints.

This process of differentiation suggests that much more work should be devoted to how urban social policies and programs can support the integration of various demographic groups into urban societies.

Members of networks perhaps need to be sure that their networks do not have too many weak links. If one fails, they can all be at risk — witness the impact of computer viruses, the contagion of financial crises in Asia or Latin America, the spread of HIV/AIDS along transport routes in Southern Africa, or severe acute respiratory syndrome (SARS) in East Asia. This also suggests reasons why it may not be so desirable for networks to always be so inclusive, and deliberately so. Going back to Castells, though the network may be the message, it may also be the message of negative consequences. This suggests that those providing urban assistance must work harder to define and articulate objectives with regard to civil society and the networking of cities.

The Conflict between Global and Local Cultures

One of the perceived consequences of the impact of global economic forces through networks in the 1980s and 1990s was the so-called homogenization of cities, to which I referred above in noting the debate over the convergence or divergence of

cities within rich and poor countries.[22] The hypothesis of urban convergence argued that both rich and poor cities were facing a series of shared challenges, including decaying infrastructure, deteriorating environment, fiscal crises, growing unemployment, and social differentiation. There was thus some convergence in their urban conditions. This argument would have been ridiculous a generation earlier, when developing countries were mostly rural and poor. Yet by 1994, visitors from S o Paulo to the World Cup in Los Angeles felt at home because they recognized the urban problems that had led to large-scale urban riots in Los Angeles in 1992.

However, at the time of Habitat II in Istanbul, many of my colleagues from developing countries energetically argued against this hypothesis. They believed that the forces of globalization were actually marginalizing or excluding some regions and cities, particularly those in Africa. They argued that urban conditions were becoming more different than similar and that convergence was not taking place. This position was certainly supported by the economic data. For example, the concentration of foreign direct investment in developing countries by the mid-1990s, according to World Bank statistics at the time, indicated that only 20 countries had access to private capital markets while another 100 countries had no access at all.[23] This is reflected in the distribution of corporate economic power today, with Latin America accounting for only 3 of the largest 500 corporations in the world and Africa none. It is now commonplace to say that trends toward convergence as an indicator of economic progress during the post World War II period were redirected by the strong economic forces at the global level.

We know now that the 1990s were a period of growing disparities between rich and poor countries, within countries, and, for our purposes, within cities. It is important to note, moreover, that these differences were not just the result of exogenous forces but also reflected local policies.[24] Inequality reflected the footprints of both global economic forces and local policies. Local authorities did not challenge these conclusions; rather, such patterns were political and economic legacies of a century of urban growthI
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How Urban Development Assistance Can Reduce Poverty and Inequality

With growing criticism of official institutions and their unfulfilled promises to reduce world poverty, it is also necessary to ask how urban assistance can be justified in relation to this objective. Poverty has been urbanized in most countries, with rural poverty still significant, but proportionately less weighty than earlier in history. The issue of generating incomes and employment was mentioned above. Here I would like to focus on the question of relative poverty or inequality. *It is interesting to see how intraurban inequality continues to be ignored by most economists as an important aspect of human welfare*. The high correlation in most cities between various forms of urban deprivation whether income, water supply and sanitation, housing conditions, educational levels, nutrition, health status, or environmental quality *strongly confirms the importance of place in patterns of distribution of real income*. Arguments about the importance of human capital investment, mostly education, as the greatest predictor of individual and household income levels are only partial. Education may be a necessary but not a sufficient condition of employment or health.

Therefore, the debate over urban aid must continue to focus on the importance of place and the opportunity that creating ' good places provides. The historian Thomas Bender has argued that urban development

> find[s] realization in a place, in a specific spatial context in which . . . social processes and institutions intersect with the lives of the city's most vulnerable citizens. And it is in a place that over time and in the present those social burdens cumulate. We need to understand those places and make them better for, more than anything else, *city-making is place-making*.[27]

In this sense, reducing poverty and inequality does not occur in abstraction but is concrete and grounded in real places.

It is also worth pointing out that these issues do not only belong to developing countries. A recent article on New York by Jack Newfield in *The Nation* brings this issue home. New York has a gross domestic product of about $400 billion, making it the world's thirteenth largest economy, and by population, larger than all but forty-eight countries. New York is widely perceived in the world as a rich place, the center of power and wealth. Yet the situation of New York also has another side that Newfield describes in the article, which is titled ' How the Other Half *Still* Lives: In the Shadow of Wealth, New York's Poor Increase. [28] Using the well-known title of Jacob Riis's important study of New York at the turn of the twentieth century, Newfield focuses first on the ' invisibility of the poor, a theme that was famously cited as well by Michael Harrington in the late 1950s in his classic work on poverty *The Other America*. He remarks that the ' expansion of inequality took place without ever becoming a noticeable issue in American politics. He refers to President George W. Bush's cuts for social services for poor people and tax cuts for rich people as ' class-warfare policy of shooting the wounded and looting the amputees.

Newfield's update on New York includes the following facts (as of January 1, 2003):

> Unemployment in New York was 8.4 percent, highest in 5 years and highest of any large U.S. city.
> A total of 1.6 million New Yorkers (20.2 percent of the population) lived below the federal poverty line.
> Another 13 percent lived barely above it.
> Blacks and Latinos accounted for 61.2 percent of the jobless.
> There were 38,000 homeless in the city.
> Soup kitchens fed 1 million people a day, but in 2001 they turned away 350,000 New Yorkers, including 85,000 children, because there was not enough food.
> A total of 800,000 people were entitled to receive federal food stamps but were cheated out of them by the policies and procedures instituted by the mayor, Rudy Giuliani.
> The poor worked in ' McJobs at $5.15 an hour or for $10,700 a year, which was not enough to survive.
> There were 600,000 low-wage workers, of whom 56 percent had no health insurance for their families and 52 percent had no pension.

As we consider these figures and compare them with the situations in other places, we should

remember that cities are shaped by much more than economic processes alone. Bill Morrish captured this point recently in New York, when he argued that cities evolve and transform themselves by capturing and synthesizing a dialectic process between urbanization, by which he means urban growth fueled by economic and social factors, and urbanism, as cities create and get created by particular kinds of people and social transactions. [29] The factors fueling urbanization are those we frequently describe as global, while the particularity of urbanism is the unique mix of people, landscapes, and activities found in each place. It is also the values we assign to them, as is suggested by Lucy Lippard in her book *The Lure of the Local*.[30]

This truly urban perspective on the issues of poverty and inequality must be valued and not dismissed as insufficiently policy oriented or economic. As was illustrated by the contrast between the Millennium Goals and the scale of projected urban demographic growth, the policymakers do not seem to have a satisfactory formulation of the problem. Although the custodians of aid may face the difficulties of allocating resources across sectors, they absolutely fail to mobilize sufficient ambition to address the urban problem.

Values

The question of values can be addressed from two distinct perspectives related to the reframing of urban assistance. First, and perhaps the easiest, is how urban experience helps to remind us of the professional and social values that should underlie urban assistance. A second perspective concerns which values should provide the basis for local urban governance within a global environment of increased concerns over American unilateralism, terrorism, and instability.

On the first perspective on values, it is useful to recall a distinction I suggested about a decade ago: We need to think beyond the

to the historical memory of New Yorkers as well as to their belief that progress is achievable. This activist and value-based response to the events of September 11, 2001, by a Pulitzer Prize winning urban historian is very much based on the articulation of strong values to guide urban decision makers as they look toward the future.

Toward a Conclusion: The Quest for Relevance and Possibility

This paper started by identifying contradictions between the scale of needs for urban services and the scale of urban assistance. *The process of reframing urban assistance and posing the six questions listed above is above all a quest for relevance and possibility*. Urban assistance needs to be understood and evaluated in terms of the broader issues facing the developing world. Its financial scale, roughly $2 billion a year for 130 countries, is about 10 percent of the present budget for reconstruction of the 16 acres at Ground Zero in New York. *This enormous gap between need and ambition is itself the primary issue that needs attention if urban assistance is to be relevant and significant in the contemporary world*. If urban assistance is to be seriously considered as an important tool in promoting economic and social progress in developing countries, I suggest that these contradictions need to be made explicit to avoid both raising unrealistic expectations and allowing urban aid to fall within the realm of technocratic debate. The obvious strategic question, therefore, is *how to build political support to address the urban challenges facing the world during the next few decades*.

Here the political assertion that ' in the words of the Foro Social in Porto Alegre ' Another World is Possible must be treated much more seriously than some fringe slogan. The pace and sensitivity of world events during the past few years to the decisions and actions of political leaders, new knowledge, and new expressions of fears and hopes, suggest that indeed change is possible. If one stands back and assesses the impact of George W. Bush's administration, the events of September 11, 2001, the collapse of Argentina and its first steps toward reactivation in 2003, the advent of SARS, and the growing global awareness of local events throughout the world, to mention a few surprising effects, it is difficult to argue that change is not possible. Obviously, some directions of change are less probable than others. But is it unreasonable to ask what kinds of urban events would convince world leaders that the conditions of their cities are matters of national security and high priority?

Notes

The author is the director of the Graduate Program in International Affairs, New School University, New York, and former senior adviser, Environmentally Sustainable Development, and chief, Urban Development Division, World Bank. He thanks Guadalupe Bardelli for preparing table 1 of this paper.

1. Annick Osmont, *La Banque Mondiale et des Villes* (Paris: Editions Karthala, 1990).
2. These are the author's estimates, based on data from the Development Assistance Committee of the Organization for Economic Cooperation and Development.
3. See National Academy of Sciences, *Cities Transformed: Demographic Change and its Implications in the Developing World* (Washington, D.C.: National Academy of Sciences, 2003).
4. The Millennium Goals were adopted at the Millennium Summit at the United Nations in 2000.
5. The notion of ' reframing comes from the late Don Schon, professor of urban education at the Massachusetts Institute of Technology, and particularly from his book *The Reflective Practitioner* (New York: Basic Books, 1983).
6. Michael Cohen, *Learning by Doing: World Bank Lending for Urban Development: 1972–1982* (Washington, D.C.: World Bank, 1983).
7. Michael Cohen, *Urban Policy and Economic Development: An Agenda for the 1990s* (Washington, D.C.: World Bank, 1991).
8. See, e.g., Stephen Mayo and Shlomo Angel, *Housing Policy Paper* (Washington: World Bank, 1994).
9. Pedro-Pablo Kuczynski and John Williamson, eds., *After the Washington Consensus: Restarting Growth and Reform in Latin America* (Washington, D.C.: Institute for International Economics, 2003).
10. Saskia Sassen, *The Global City*, 2nd ed. (Princeton, N.J.: Princeton University Press, 2002).
11. Michael Lipton, *Why the Poor Stay Poor: Urban Bias in Developing Countries* (Cambridge, Mass.: Harvard University Press, 1974).
12. Jeff Madrick, *Why Economies Grow* (New York: Basic Books, 2003).
13. Joseph Stiglitz, ' The Lessons of Argentina for Development in Latin America, in *Argentina in Collapse: The Americas Debate*, ed. Michael Cohen and Margarita Gutman (Buenos Aires: New School University, 2002), 151 70.
14. National Academy of Sciences, *Cities Transformed*.

15. Manuel Castells, *The Internet Galaxy: Reflections of the Internet, Business, and Society* (New York: Oxford University Press, 2002), 1.

16. Castells, *Internet Galaxy*, 2.

17. Castells, *Internet Galaxy*, 2.

18. Albert-Lazslo Barabasi, *Linked: The New Science of Networks* (Cambridge, Mass.: Perseus Books, 2002), 87 88.

19. I am reminded of my own experience representing the World Bank at international committee meetings, where I presumed, I hope not too overtly, that the financial power of the World Bank somehow gave my position and arguments a disproportionate weight. Why if the World Bank was lending $2 billion a year for urban projects should I have to listen attentively to the opinions of other lesser donors, even though we were all supposedly part of the same network ?

20. See Cohen and Gutman, *Argentina in Collapse*.

21. Michael Cohen, The Hypothesis of Urban Convergence, in *Preparing the Urban Future: Global Pressure and Local Forces*, ed. Michael Cohen, Blair A. Ruble, Joseph S. Tulchin, and Allison Garland (Washington, D.C.: Woodrow Wilson Center Press, 1996).

22. Cohen, Hypothesis of Urban Convergence.

23. World Bank, *Global Economic Prospects and the Developing Countries* (Washington, D.C.: World Bank, 1996).

24. Michael Cohen, The Five Cities of Buenos Aires, in *The Encyclopedia of Sustainable Development*, ed. Saskia Sassen (Paris: UNESCO, 2003).

25. Pablo Ciccolella, Globalizaci. ,n y dualizacion en la region metropolitana de Buenos Aires: Grandes inversions y reestructuraci. ,n socioterritorial en los a os noventa [Globalization and Dualism in the Metropolitan Region of Buenos Aires: Investment and Territorial Restructuring in the 90s], *Eure: Revista Latinoamericana de Estudios Urbano Regionales* 25, no.76 (December 1999): 5 27.

26. Many books have been written about this process, but Manuel Castells's trilogy on the information society is one of the best. Manuel Castells, *The Information Society*, (London: Blackwell, 1994)

27. Thomas Bender, Urban History and the Urban Future, in *Medio Ambiente y Urbanizacion*, no. 55 (Buenos Aires: International Institute for Environment and Development America Latina, 2000).

28. Jack Newfield, How the Other Half Still Lives: In the Shadow of Wealth, New York's Pt.eL-1.3333 jtina,