

Global Agenda Council on Urbanization 2012-2014



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IMPROVING THE STATE
OF THE WORLD



Understanding/Context

The growth of cities and unprecedented rural-to-urban migration throughout Asia, Latin America and parts of Africa are frequently cited as defining global trends of the 21st century. While urban growth often conjures up images of shiny skyscrapers and fast-moving transit systems, the truth is that these emerging areas are not postcard cities. Rather, the “face” of the trend is marked by informal settlements, or slums, on the periphery of urban centres, and the informal economy.

Informal settlements result from the inability of governments to provide adequate infrastructure services for incoming or existing residents, and to create functional markets that generate housing opportunities. Informal settlements are thus a coping mechanism whereby residents fulfil their basic housing and infrastructure needs themselves, outside of the legal realm. The health and environmental conditions are usually dire: fewer than 35% of cities in developing countries have treated wastewater and half of solid waste within most cities in low- and middle-income countries is not collected.

Access to economic opportunity tends to be slim in informal settlements, making the informal economy the dominant lifeline. Residents lack easy access to road and public transportation networks or face arduous commutes, while the lack of legal residences creates a barrier to obtaining jobs in the formal sector.

Shaping the Agenda

The Global Agenda Council on Urbanization recognizes that informality has negative and positive sides. On the one hand, informal settlements and the informal economy are coping mechanisms in the absence of functional civil and economic institutions. Yet they also represent an impressive display of entrepreneurship and job creation at the hands of people. Many

quality of life and business innovations have been born on the edge of legality when government has not seen or intentionally ignored informal settlements and commerce.

The Council has been working on identifying best practices from communities around the world in addressing the vulnerabilities of informal settlements and the informal economy, and best practices to unlock the positive externalities – be they at the hands of residents, companies or government.

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Looking ahead, these best practices will be showcased in an innovatively formatted publication, called *Urban Anthologies Volume II: Addressing Informality*. The Council will share the publication with mayors, civic institutions and business leaders through the World Economic Forum network and via the Network of Global Agenda Councils. This publication builds on the Council’s work in 2011-2012, which resulted in *Urban Anthologies Volume I: Learning from Our Cities*.

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