

40
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THE SEVEN BILLIONTH WORLD CITIZEN: CRISIS, CITIES AND THE GLOBAL AGENDA

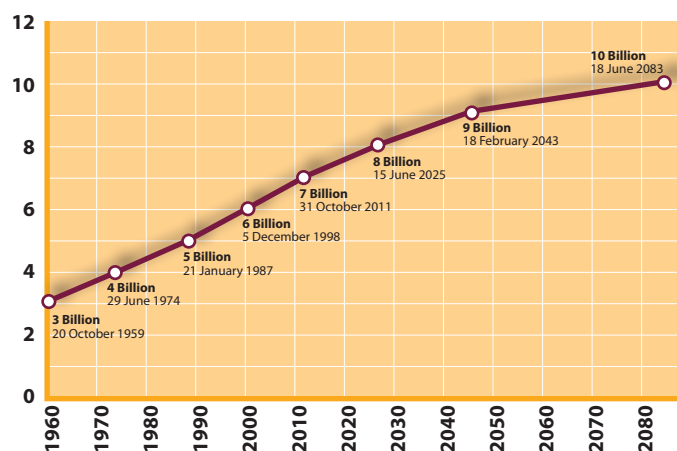
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Forget about the BRICS. Brazil, Russia, India and China are not the only true emergent powers that will shape the 21st century's order. As a matter of fact, cities will do just as much. Their political will and action at both the local and international level will inevitably outline the global agenda of the coming decades. And they will do so in a deeper and more transformational manner than any nation-state can probably anticipate.

As one of the world's most respected economists, Jeffrey Sachs, puts it, we live in a "crowded planet", a planet that will become more and more crowded every minute of our lives. World population at the time of writing is 6.971.051.486 (27 October, 2011)¹, and more than half of it is below 25 years of age. The United Nations believes that by 2043 the world will charter 9 bn people, at a growth path per year of almost 79 million. According to some estimates, two thirds of those people will live in urban areas. These areas will house about 6 bn people by 2050, which will represent two thirds of the world's total population at that time. Humanity will be facing a series of global crises if action is not taken at the local, national and international level. As the argument goes, we are standing at a crossroads: either we continue on our path of environmental degradation, population booming and huge numbers of people trapped in extreme poverty (often stranded in vast urban slums), or we choose international cooperation and foster an alliance between the global and the local levels of action.

Figure 1: World Population, Billion by Billion growth



Source: Author, based on United Nations Population Division data²

Sustaining the world's ability to house an amount of people that will symbolically reach 7bn by 31 October this year; is the core political issue of our times. Even though population growth, which boomed during the 20th century

2. These data are derived from the annual series of world population estimates obtained by interpolating the results of the 2010 Revision of World Population Prospects by assuming exponential growth within each year. Because the estimated dates depend on the population estimates and projections used to derive them, and those estimates and projections change from one Revision to another, they constitute the best approximations at any given time.

1 <http://www.census.gov/main/www/popclock.html>

(from 1.6 billion in 1.900 to 6.1 billion in 2000) has already started to slow down as nearly half of the world's population already lives in countries with fertility rates below the 2.1 births per woman rate which is considered to be the replacement level, decreasing numbers of young manpower, aging populations and other demographic pressures will certainly shape both the economic and the social landscapes of our near future. Deterioration of soil, rivers, oceans and climate, combined with indiscriminate and rapid urbanization, go largely unrestrained. At the same time, our growth model based on consumerism and perpetual mobility is now obsolete, as it heavily consumes nonrenewable resources such as energy, water, commodities and clean air. In a more short-term analysis, the model may even not be suitable to provide jobs, security and basic services for everyone.

Globalization has made it apparent that proper solutions have a primary local dimension. In the words of Mark Malloch-Brown, "globalization is likely to become the twenty-first century's most local issue". In his recent book "The Unfinished Global Revolution" (2011), this former United Nations Under-Secretary-General acknowledges the aston-

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ishing fact that today, with global governance only being possible by taking on board every single level of government and fostering a real reform of the existing system, "the real surprise is the resilience rather than the disappearance of the old national political structures". If there is any chance of implementing global policies, that can only take place effectively and widely at a local level, and for that to happen, crucial negotiations with states must take place. Malloch-Brown concludes that the process of globalization has created its own backlash, and now we are condemned to see that "in one corner stands globalization and its promise of greater integration of everything, from trade to ideas, while in the other corner stands nationalism".

But taking some perspective will help to clarify our view. The available data show that global integration has been doubling the size of the global economy every 20 years or so, furthered by radical innovations in technology, health, education, production, communications and transport that have benefited important parts of the world's population which had previously been stranded in poverty. But as times are becoming increasingly hard, this trend might not last forever. There is a growing need to strengthen institutions, says Malloch-Brown, "by attaching them to a global purpose that makes sense to people, enhancing a global solidarity that will mean living by rules and limits suitable

to our fragile shared habitat". Cities and regions will play a significant role in setting the mood of citizens in order to tackle the enormous challenges ahead.

But beyond these main issues, in a more action-oriented agenda, there are at least three priorities in today's agenda on cities and regions. The first and most urgent of these is to address the financial and economic crisis and keep decentralization alive. To that end there is a need to continue nurturing and encouraging decentralization and self-government processes, as well as securing the delivery of basic services to counter the spending cuts and austerity plans that come with "recentralization" policies put in place by national governments.

The second priority must be to focus on governability and local democracy by maintaining the strengthening of the institutions of local government and backing democratic processes at a local level. A third priority, and an obvious one, is climate change. There is a need to enhance the role of cities in the fight against climate change and their commitment to greenhouse emissions reduction. Access to carbon markets at a sub-national and local level means a much-needed reform that cities could achieve by working

closely with UN Habitat, within the framework of UNFCCC (United Nations Framework Convention on Climate Change) and UNEP (United Nations Environment Programme).

Led by a former mayor of Barcelona, the UN Habitat priorities for the next three years clearly establish the road map ahead: job crea-

tion and local economy and production for 2012, environmental resilience for 2013, and local financial and taxing systems for 2014. As seen from the current local perspective of Southern European countries, the issue of job creation is likely to be a priority for many years to come. Will the newborn seven billionth child become a slum-dweller, an impoverished, unemployed citizen of the world? This is a very disturbing question, and only a deeper understanding of both the evolution of demographics and urbanization trends would help policymakers to provide a satisfactory answer.

Impact of the financial crisis and the local response

Of the three priorities summarized above, the impact of the financial crisis appears to be the major, most urgent challenge for the coming three to five years. After the global security crisis that came with the 9/11 attacks and global terrorism threats, and partly as a consequence of the great distraction unleashed by the US-led violent international response, the next global crisis has been financial. The worldwide economic crisis that began in 2008 (some analysts move this date back to summer 2007) demonstrated the poor effectiveness of global institutions in managing

the fallout and regulating the financial sector that has been perceived as the primary area responsible for the crisis. For the general public, the crisis hit very close to home and, as they perceive that the solutions are beyond their reach, they demand a reaction from their local authorities. When we see the 'indignant' movement's demonstrations taking place simultaneously in almost 900 cities in 82 countries, as happened just recently, we might be witnessing a clear sign of increasing social malaise that should not be dismissed as yet another minor itch of global capitalism. While emerging economies seem to have come out rather rapidly from the first strike of this crisis, Western economies are still faced with distressing problems with recovery, and in other regions, as we can see in the Arab World, the structural weaknesses in the system of governance and a highly asymmetrical distribution of wealth that resulted in zero opportunities for the (mostly young) majority of the population have produced violent revolutions and social uprisings that will further complicate the economic recovery.

As the process of decentralization and self-government remains ongoing and unfinished in many parts of the world, so remains the capacity to react to the economic crisis at a local level. In times of uncertainty, nations - who in fact concentrate the majority of public financial resources - have become more assertive as they try to get back some power that has inexorably been transferred to different spheres by the process of globalization and, in some cases, active decentralization policies. The reinforcement of nationalism and recentralization are not a viable response, even though, like it or not, the better part of the world order still depends on what the sovereign states decide and do, and this (as is once again evident in the present crises) is proving to be more part of the solution than of the problem. In this respect, nobody seems to remember that, back in April 2009, everybody in the London G-20 summit was blaming the 'less-state' neoconservative formula and the consequent massive deregulation process it unleashed as being a fundamental cause of the financial disaster.

Nonetheless, it is at the local level that people are losing their jobs and having difficulties in paying back their loans and mortgages, with basic services such as health care or education suffering from the harsh austerity cuts that national governments are putting in place. Cities must play a fundamental role in the required process of readjustment, be it only because half of the world's population already lives in them, generating more than 80 percent of global GDP today. And furthermore, as a recent research study by the McKinsey Global Institute has revealed, "the urban economic story is even more concentrated than this suggests. Only 600 urban centers, with a fifth of the world's population, generate 60 percent of global GDP".³ This shows an

enormous concentration of wealth which is coherent with another global trend: the rise of sharp inequality, with a minority at the top who possess the vast majority of the available resources, as the Occupy Wall Street slogan "we are the 99 percent" earnestly portrays.

Thus, in times of crisis, when there is a plausible risk of re-centralization, cities and local authorities must redouble their efforts to champion the importance of devolving administrative and financial power to the administration closest to the citizens. This must be done by securing effective basic service delivery at the local level and targeted investment to underpin urban economy, which is of key importance for achieving economic recovery and sustainable prosperity. At this point, local level government is critical to make it happen.

Interaction of cities and local authorities with supranational organizations

In order to be able to tackle the challenge of the financial and economic crisis and to prevent decentralization from being left behind, cities and local authorities must continue

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fostering the interests of their representatives before supranational organizations and the UN system. Consequently, in order to be able to influence the big picture and secure local responses to the current profound crisis, the fully-fledged recognition of cities and local authorities as UN partners clearly remains an issue. But fostering recognition (a goal that has been partially achieved from the Cardoso Report on) means that local and regional governments must be perceived both as actors and as major stakeholders of UN policies at global level. Building on the European experience - where multilevel governance is far more advanced than in other regions - can be an asset once the dust of the present Euro crisis settles down.

In any case, as long as the emphasis is placed on recognition alone, on calling for greater presence, cities and local authorities would be perceived mostly as just another civil society stakeholder championing specific demands, and they will thus be continuously pushed back to the level of NGOs or, at best, of other non-state actors such as private corporations and advocacy groups.

The wider margin for manoeuvre that exists at the international development cooperation level, where decentralized cooperation has spread a long way and mobilized significant resources -(much welcomed by the UNDP and other programmes and agencies of the UN system), does not have a correlate at the international relations and foreign policy level, which remains much the monopoly of nation-states, very jealous of their competences.

3. http://www.mckinsey.com/mgi/publications/urban_world/pdfs/MGI_urban_world_full_report.pdf

The reality, however, is inescapable: the status of local and regional governments before the UN System remains inadequate, and it is not yet fully recognized but often denied, whilst open and direct collaboration with the general assembly members turns to be very difficult, if not impossible. But if the narrative begins to change, the reality will soon follow. The pivotal role this level of government plays, for instance, in the struggle for the achievement of MDGs or urban upgrading, is undeniable. Changing the narrative and acting as mature governments with a modest but effective and legitimate power is a crucial challenge that cities have to face in the coming years.

Some might argue that, should the UN grant them the status they are asking for, cities would then be punching above their weight. But the truth is that the Westphalian system based on nation-state interaction holding a monopoly on international relations is clearly obsolete, and does not meet with this century's political or economic reality. If there is any chance glo-

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bal governance might be achieved, then it can only be inter-governmental and in permanent interface with non-state actors. And, if it is to be truly intergovernmental, then it should include cities and local authorities acting as peers to national governments, and not as inferiors. It is a fact that, with the exception of parts of the Western world, the process of decentralization remains unfinished -if not inexistent- and must continue in many regions of the globe. But those who have already been decentralized should act as grown-ups before the United Nations, stand up for the rest and lead the way toward a better, sustainable and more democratic governance in the world. A more focused, action-oriented agenda might help to prove that there is true added value to be found when the local level tackles global issues, from environmental problems to health, education or job creation policies.

But all this still requires a change in perspective. The relationship between different levels of government must cease to be perceived as hierarchical (from top to bottom, from bottom to top) but instead flatter, transversal. One does not have a pyramid here, but a sphere, if not a network of different actors, and it would be preferable to be talking about "spheres" of government rather than "levels" of government. Local governments are but just another sphere of government, with the full legitimacy that provides direct election by citizens. To prevent being looked down on by the state or by the intergovernmental institutions is a task that can only be achieved by exerting the power of the legitimacy brought by the representation of the public, and by showing efficiency in the governance of daily affairs. Beyond the necessity of calling for a new social pact, it remains to be seen how that new relationship should be organized, be it through an international assembly of mayors or through a formal global network of cities and regions (closer coordination or even a fusion of the existing UCLG, FOGAR, Metropolis and the like might be the answer).

Rough road ahead

Together with seeking a bigger role in global institutions, there is much to do at home. Political changes, often via constitutional reform, should take place in many centralized countries around the globe, ensuring greater flexibility for provincial and local governments in terms of democratic participation, urban planning and decision-making. The process of decentralization, in spite of the major economic and financial difficulties of this period, must go ahead, and the principle of subsidiarity, which underpins this process, must be kept alive. According to this principle, to which the governing council of UN-Habitat has referred, "public responsibilities shall be exercised by those authorities which are closest to the citizens".

Experts and observers of the process of decentralization tend to agree that it is not the process itself which is problematic, but the political will to ensure that it is successfully implemented. However, the key question remains: how to design and implement policies, and which ones. The UN agenda marks the road ahead by identifying the major issues to be attempted: poverty reduction, climate change, citizens' rights and diversity, migration management, provision of public services and, last but not least, education, sanitation and human security.

The UN system, with all its legitimacy problems and bureaucratic limitations, is here to stay as both the major advocate and watchdog of this agenda. If cities and local authorities want to seriously contribute to the much-needed global governance, they should look for added value, not for duplication. In times of crisis, governments at all levels should be working in the same direction; that is, following Joseph Stiglitz's road map⁴, fighting for full employment and a stable economy, promoting innovation, providing social protection and insurance and preventing exploitation.

For that to happen in an effective way, a vision for the future must be built through prognosis exercises, if only by developing policy-oriented ideas and toolboxes. There is little to be invented though, as the cities agenda for the 21st century is by now well established. The key issue being the occupation of the territory, there is a common understanding that urbanization and mobility will shape the future of this generation and of the ones to come. As a starting point, and taking stock of the present situation, local governments have to focus on delivery: their citizens need an answer to the fundamental and most urgent question of our times: what will the economy of the future be like? Or rather: can capitalism be reinvented? Job destruction in Western economies adds up to endemic joblessness in large parts of Africa and the Arab

4. See Joseph Stiglitz's "Freefall. Free markets and the sinking of the global economy", W.W. Norton & Company, New York, 2010

World, mainly affecting younger populations that tend to be concentrated in urban agglomerations and slums (today, one billion of the world's population continues to live in slums, according to the UNEP). Without the capacity to reinvigorate the job market and upgrade slums, other actions might be perceived as rhetorical, to say the least.

The ability to set up a productive urban economy that can ignite the process of intensive job creation will be, therefore, the key to both recovery in the West and for the much-needed growth and development in large parts of the East and the South. Should cities be successful in that respect (as it is becoming clear that national governments and supranational institutions cannot provide –and that is if they succeed- only the macroeconomic conditions for stability), their role in shaping the global agenda will prove indispensable. Of course, there is much work to do in exploring multilevel governance and reinforcing legitimacy through democracy and participation, but these days (at least from a much-troubled western economies' perspective), providing education, sanitation and jobs for millions and millions of people is an open-ended question.

At an annual population growth path of almost 79 million, the majority of whom will be born and live in urban areas, our immediate common future is to be shaped by cities. If they are able to hold it in their hands and provide answers for their people, it would represent good news for both the global agenda and for the world order as a whole. The new-born seven billionth citizen would much appreciate that.