

UNITED NATIONS  
ECONOMIC COMMISSION  
FOR LATIN AMERICA  
AND THE CARIBBEAN - ECLAC



Distr.  
LIMITED  
LC/L.383  
8 July 1986  
ENGLISH  
ORIGINAL: SPANISH

---

METROPOLITANIZATION AND CRISIS IN LATIN AMERICA:  
PROBLEMS AND PROSPECTS \*/

---

\*/ This document was prepared by Mr. Francisco Sabatini and Mr. Ricardo Jordán Fuchs, advisors to the Joint ECLAC/UNCHS Human Settlements Unit and the Joint ECLAC/UNEP Development and Environment Unit. The opinions expressed herein are the sole responsibility of the authors and may not necessarily coincide with the views held by the United Nations.



CONTENTS

	<u>Page</u>
FOREWORD .....	1
I. INTRODUCTION .....	2
II. METROPOLITAN PROBLEMS .....	3
III. METROPOLITAN PROBLEMS IN AN ATMOSPHERE OF ECONOMIC CRISIS .....	8
IV. OUTLOOK FOR METROPOLITAN PLANNING AND MANAGEMENT .....	13
Notes .....	16

/FOREWORD





## FOREWORD

This paper was prepared at the request of the Economic Commission for Latin America and the Caribbean, as one of the activities carried out by the ECLAC/UNCHS Human Settlements Unit and the ECLAC/UNEP Development and Environment Unit following the seminar entitled "Latin American Metropolises Confronted by the Crisis: Experiences and Policies", held in São Paulo, Brazil, in 1984 and organized by the Prefecture of that city, the United Nations University (UNU) and the Economic Commission for Latin America and the Caribbean. It represents an attempt to define what may be described as problems of the metropolis, as distinct from those of a sectoral nature and national, or even supranational, in scope, which are found in metropolises.

The contents of the paper are made up of some thoughts gleaned from the statements made at the aforementioned seminar by the following experts: Nion Albernaz, Alfonso Barrantes, Luis Carlos Bresser Pereira, Joaquim Cavalcanti, Luciano Coutinho, Mario Covas, Pedro Dallari, Waldir de Angelis, Mauricio Fruet, Ricardo Jordán, Lucio Kowarick, José Roberto Magalhães Texeira, Carlos Estevan Martins, Eduardo Neira, Fernando Padrés, Alfredo Rodríguez, Ignacy Sachs, Samuel Santos, Facundo Suárez, Osvaldo Sunkel, Ian Thompson, Blas Tomić and Jorge Wilhelm.\*/

---

\*/ The texts of the statements appear in América Latina: crise nas metrópoles, published by the Prefecture of the Municipality of Sao Paulo (Sao Paulo, Sempla, 1985); and also in the document by Eduardo Rincón entitled "México, respuesta a los desafíos" (preliminary version, 1985) and the document by F. Sabatini and R. Jordán Fuchs, entitled "La crisis urbana: elementos conceptuales para una aproximación ambiental" (preliminary version, 1985).

## I. INTRODUCTION

It is now a commonplace to say that one of the most salient features of the process of urban development in many countries of Latin America and the Caribbean is a marked tendency towards concentration of population.

In the introductory document presented by ECLAC to the seminar entitled "Latin American Metropolises Confronted by the Crisis: Experiences and Policies", it is noted that the available figures throw light on the momentum built up by the process of regional urbanization and on the increasingly significant role played by the more important cities and make it clear that if these trends continue, it is not unlikely that towards the year 2000, over two thirds of the population of Latin America will reside in some 2 000 localities of 20 000 or more inhabitants and that over half this urban population will have settled in some 46 large metropolitan areas.

The document goes on to say that the phenomenon of metropolitanization has acquired particular importance in the region in recent decades. In 1980 there were 10 cities in the world with over 10 million inhabitants, including Mexico City, with 15 million; São Paulo, with 13.5 million; Rio de Janeiro, with 10.7 million and Buenos Aires, with 10.1 million. In the estimates for the year 2000, six cities of the region are included among the 35 largest cities in the world. These cities are Mexico City, the largest city in the world; São Paulo, the second largest; Rio de Janeiro, the seventh largest; Buenos Aires, the fifteenth largest; Bogotá, the twentieth largest, and Lima/Callao, the thirty-first largest.

A large proportion of the industrial and service activities of the countries concerned are concentrated in the metropolitan areas mentioned above. Close to 80% of the industrial production of Brazil takes place in the zone made up of the metropolitan areas of São Paulo, Rio de Janeiro and Bello Horizonte. Close to two thirds of the industrial production of Argentina is concentrated in the metropolitan areas of Buenos Aires and Rosario, and well over half the industrial production of Chile and Peru is located in the main metropolitan areas of those countries --Santiago and Lima/Callao, respectively. As for Caracas, no less than 40% of the industrial production of Venezuela is concentrated in that city. Moreover, it is estimated that over one third of the industrial product of the entire region is generated in three metropolitan areas --Buenos Aires, São Paulo and Mexico City.

Conversely, one of the most notable characteristics of these metropolitan areas is the concentration in them of unemployed and underemployed persons and, hence, of poverty and of squatter settlements, making metropolitan concentration perhaps the most critical reflection of the profound disequilibria which are characteristic of the human settlements of nearly all the countries of the area and are also a practically inevitable consequence of the concentration-dependence styles of development which predominate in the region.

Indeed, the large cities of the region present acute problems of large-scale failure to economize, traffic congestion, high living costs, physical deterioration, scarcity and unreliability of services, growing inefficiency in government, alienation, social disintegration, progressive social and economic differentiation, etc., which, although they do not appear to outweigh the advantages which urban

/concentration offers

concentration offers to the population of metropolitan areas, have produced widespread uneasiness with respect to these big cities.

With regard to what has just been affirmed, however, the ECLAC document referred to above maintains that the urban crisis in the Third World is largely a reflection of long-standing problem situations of a structural nature, related to the development styles adopted by the countries; that it is not due only to the large size to which many cities have grown and that, what is more, it is an irreversible and, of course, a desirable, phenomenon. This does not of course mean that the large city is necessarily the only population grouping affected.

In this connection, Mr. Mario Covas, the Prefect of the city of São Paulo, said in the seminar in question that while, on the one hand, the metropolises typified many of the problems and contradictions of the Latin American countries, on the other hand they also brought together the most important forces of change. Thus, just as they were vehicles of dependence, underdevelopment, authoritarianism and alienation, they also constituted primary sources of wealth and the main place of national encounter.

He went on to say that the metropolises also acted as catalysts of the cultural identity of each country and provided the setting for important struggles for liberation, democratization and greater equity and autonomy. In them the greatest human abilities were developed, and people learned to have respect for differences as they engaged in the conflicts which were part and parcel of social change and sought an adequate political dimension for solving them.

In short, he said, metropolises offered the best opportunities for ensuring that within them the new forms of social development and economic growth deemed necessary for overcoming the crisis could take shape.

## II. METROPOLITAN PROBLEMS

In much of the specialized literature and in many international gatherings there seems to be a fairly frequent consensus as to the existence of an "urban crisis" which is said to result from the "excessive" size of the major cities and from the problems to which this situation gives rise in the large majority of the countries of the region. This affirmation finds support in the undeniable fact that the process of urban development in Latin America and the Caribbean exhibits certain peculiarities with regard to its accelerated rate and the high degree of concentration which, beyond any shadow of doubt, are accompanied by great drawbacks in terms of the satisfaction of every type of need, of an environment which is unquestionably deteriorating and of enormous problems of management.

On the other hand there is a growing number of students of the problem who have become real defenders of the large Latin American city in that they see in it a combination of possibilities and capabilities which might make it possible to break the barriers of underdevelopment. They maintain that the cause-and-effect relationship between urban size and urban problems has by no means been demonstrated and that the statistical concomitance between them is no proof of the existence of such a relationship. By the same token, they assert that the problems which are

/identified as

identified as relating to urban crisis do not necessarily have anything to do with the size of the cities. For example, they insist that there is no direct and proportional cause-and-effect relationship between urban size and the poverty found in cities or even between urban size and problems such as those related to transport, which can arise even in cases where considerable size has not been attained and which instead seem to be linked to technological variables and variables related to town planning or even to variables of a cultural nature.

From an historical perspective, this theoretical approach goes further, and it is argued that urban size not only does not cause the problems but that population concentrations, in relatively high degrees of density, are necessary for the development of mankind. The city represents one of man's historical conquests, born of the possibility that increasingly larger groups may be able to disassociate themselves from the production of the material supports of life and dedicate themselves to the cultivation of the arts, politics, the sciences, law, etc. Civilization, it is said, is synonymous with the city. In the case of Latin America and the Caribbean, while it is true that the metropolises experience very serious problems, it is also clear that they provide their inhabitants with considerable advantages.

If there is no real cause-and-effect relationship between the size of metropolises and the problems they encounter and if cities are an achievement due to the development of mankind, perhaps it would be right to invert the terms in which the majority of the arguments adduced so far have been couched. Thus, it would not be so much a question of seeking ways of preventing the growth of cities because of the problems which that growth might cause as one of neutralizing the factors which keep the city from growing while at the same time ensuring that these problems do not arise or do not become more severe. The question would then be "in what do urban problems really consist, what are their direct and indirect causes and in what ways might they be avoided?".

Usually, when the urban crisis is discussed, mention is made of problems such as those relating to low incomes, unemployment, housing shortages, scarcity of services, etc., which, strictly speaking, have nothing to do with cities as such and even less with their size. They are actually national economic and social problems; they are really referred to under the heading of urban problems only because the degree to which the population of countries is concentrated determines the extent of the concentration of these problems in the cities. Thus, in the last analysis, the urban problem becomes a national problem.

What problems then are strictly urban problems, i.e., problems characteristic of cities? In order to answer this question, it seems necessary to draw a distinction between problems which are of particular significance in the city and problems characteristic of the city, and in doing so it is necessary first to negotiate the obstacle inherent in an old conceptual and practical difficulty as yet unsolved: the difficulty of differentiating between what is urban and what is not --an issue which has recently been got round to some extent by applying the "human settlements" concept.

The following thoughts, which relate to some of the more obvious problems of the city, should not be construed to represent an attempt to resolve the difficulty referred to but should rather be viewed as a way of putting problems inherent to metropolises in the framework of the growth of the present crisis and the proposals formulated for overcoming it.

/One particularly



One particularly acute problem confronting big cities relates to waste, viewed from an economic, environmental and social point of view. There are a few fairly well known examples which can be mentioned with regard to economic waste. The first of these relates to that part of the urban material endowment (roads, for example) whose size is determined on the basis of hours of peak use (rush hours, for example). Another example relates to the premature economic obsolescence of some urban property in extensive areas of cities where buildings are razed when still in good condition and replaced by others which allow for denser occupation of the land and hence for greater financial returns from it. Finally, attention should be drawn to the implementation of urban investment projects, which are lacking in co-ordination and are not articulated with the urban processes and for that reason have to be halted before completion or are totally or partially dismantled long before they have completed their useful lifespan; mention might also be made of discontinuous urban developments of a speculative nature, for which high urbanization costs are incurred and which lead to serious underutilization of the installed infrastructure over long periods of time.

In environmental terms, waste results from the overutilization of energy and material resources because of lack of experience, ostentation, poor choice of technology or failure to co-ordinate the location of related activities and non-utilization of the energy and materials present in waste matter. In social terms, waste in large Latin American cities is closely related to the ostentation of the wealthier classes which have been settling in cities since the last century, expressing their identification as a group and setting themselves apart socially more by their patterns of conspicuous consumption than by the modes of production they adopt or by success in business. Another social dimension of urban waste is the squandering of the combined potential of human labour. This refers not so much to the loss of man-hours of unemployed labour, which is really a national, rather than a specifically urban, problem, as to the fact that what goes to waste in cities, more than being the sum of the energy expended by all those individuals, is the potential for co-operation in work offered by an agglomeration of individuals.

A second problem situation, undoubtedly characteristic of cities is that of traffic congestion, whose solution is of key importance to the future of the cities. The social division of labour, which is very characteristic of an urban economy, means that activities are increasingly specialized and complementary, calling for high-frequency physical interaction among persons and production factors, a need which is met by the agglomeration. The physical manifestation of metropolitan transport problems, cannot, by extension, be blamed on the size of a city since, given transport technology, the distances between urban activities and between individuals interacting with each other can be bridged in the short term. The problem is one of congestion caused by vehicles and is related to factors such as the shape of the city, the degree of centrality and standardization of the work day.

In other words, the problem of traffic congestion characteristic of large cities is related less to the size of the cities than it is to other kinds of urban conditions, and in particular to lack of control over the use of land and the spatial distribution of activities. This problem must be viewed apart from other critical transport problems found in the metropolis, such as the problem of scarcity or inadequacy of means of public transport, especially in squatter settlements, which is also an inter-urban and, in general, a national problem. Needless to say,

/this problem

this problem has economic repercussions owing to the considerable volume of investment needed to reduce the levels of congestion, and such investment gives rise to problems of waste, as explained above. Moreover, since, in most cases, this kind of investment favours those very people who have the capacity to cause congestion, social considerations are involved.

Another problem characteristic of large cities relates to the difficulty of gaining access to the land, a commodity which is indispensable to the entire population, yet scarce in physical, economic and social terms. The association of the profit motive with urban land, which commonly occurs in Latin American metropolises, is opposed to the view whereby land is an asset for use by society and is essential for meeting the minimum housing and services needs of the low-income majorities, who cannot gain access to the land through the market.

There are basically two kinds of operators who use urban land for profit --owners of undeveloped land who speculate by keeping their property off the market as they wait for its price to rise, and real estate promoters, whose profits depend on changes in the use of land, including changes in the social character of neighbourhoods, which they promote through their own projects.

At the same time, since the higher the income of future land users, the greater the profits realized by the owners, promoters seek to segregate the poorer elements of the population spatially because their presence can be a treat to those profits; in addition, in time these promoters manage to invert the cause-and-effect relationship between use and price. According to Darin Drabkin, the income earned from the activities for which the land is used is the factor which determines the prices of urban land. Speculation of the kind referred to consists in inverting this relationship so that prices rise on the basis of the uses to which the land will probably be put in the future, which, in the end, eliminates the possibility of land being used by activities which cannot produce the surpluses needed to pay such high prices. Thus, price, which started out as an effect of use, becomes its cause. This means that social segregation and inversion of the cause-and-effect relationship are objectives sought by those engaged in making profits on urban land, this being something which is characteristic of the operation of city land markets and the source of many of the problems besetting metropolises. Two of these problems are particularly acute in Latin American metropolises --the poverty of cities and poor approaches to urban planning.

Cities and particularly metropolises provide a high concentration of opportunities and resources of every kind which, of course, are not distributed evenly throughout their population. Access to these opportunities and resources depends not only on the level of personal income but also very much on the location of population within the city and on the resulting physical accessibility of people to the places where opportunities are abundant. The poverty of cities lies precisely in the fact that poor people are being segregated in those locations which have the worst services and are the most remote and is therefore directly attributable to the urban mechanisms used to generate and attract income from the land.

These problems are compounded by the fact that investment in transport is concentrated in areas where privately owned automobiles are most widely used, while less is invested in lower income residential areas; this results in spatial segregation and subsequently in even further deterioration of the accessibility of

/the poor.

the poor. The spatial segregation mentioned has its counterpart in the unequal integration of the lower income groups in the urban economy and the political system, precisely because of this lack of integration, the urban poor are undesirable in the eyes of those who make profits out of urban land.

The poverty characteristic of cities has another dimension to which attention should be drawn. There is a distinctive phenomenon, which is also related to the land, consisting in the development of reciprocal trade networks and subsistence economies at neighbourhood level. This phenomenon is so characteristic of urban poverty that there are those who maintain that the replication of these modes of survival, as mechanisms for adapting to a hand-to-mouth lifestyle, has begun to result in a true culture of poverty. Although this is debatable, it cannot be denied that the urban poor survive to a large extent by falling back on a resource which is characteristically urban, i.e., their proximity to many other equally needy people, which makes it possible to construct networks of solidarity comprising a real social security system.1/

As for the approaches predominantly followed where urban planning is concerned, they themselves may be said to constitute a problem. Generally speaking, urban planning, in this region at least, has not displayed the capacity needed to adjust its conceptual and methodological apparatus to the extraordinary dynamism of the situation it is trying to change. Still less does it seem to have been capable of successfully responding, either by taking corrective measures or by proposing alternative actions, to a problem as complex as that of the inversion of the cause-and-effect relationship referred to above. Thus, both the diagnosis made and the action recommended are notably static in character. Usually the point of departure for defining policies is to define a variety of "problems", and nothing is known of how those problems relate to each other or of the actual social, economic and cultural processes which give rise to them. Consequently, the few ideas implemented which are more than recommendations concerning decisions on emergency or short-term action are characterized by a quest for "physical planning" which juggles with variables outside the system on which it is supposed to act and takes a normative, terminal, supposedly coherent and often static view, which bears no relation to the intrinsically dynamic nature of the urban development process.

Two other important aspects of urban planning in the region should also be noted. In the first place, the preference given to the management of the physical dimension of urban life, to the exclusion of nearly anything else, is indicative of lack of understanding of the relationship between the physical dimension and the functional aspects of the urban situation. The lack of exploratory ability which results in the static approaches mentioned above is directly linked to the failing just referred to.

Secondly, it is worth noting the lack of perceptiveness regarding the city as a whole, and of the metropolis in particular; what usually happens is that the metropolis is viewed as nothing more than a collection of neighbourhoods and sectors, the solution to whose problems is regarded as tantamount to a solution to the problems of the metropolis, or that an image of the "ideal city" is projected as a formal totality, whose sense of unity is achieved only by means of aesthetic coherence.

/Obviously, these

Obviously, these characteristics which are present in some degree or other in urban planning as it is practiced in the region, are ill-suited to the magnitude and, in particular, to the kind of problems to which its metropolises give rise.

It is often held that the scarcity of resources characteristic of developing countries is the cause of urban problems in Latin America. This argument can be applied so broadly that it can of course be used to refer not only to urban problems but to all the problems confronting the countries of the region. Furthermore, in view of the fact that the problems which have been regarded as characteristic of cities relate to appreciable degrees of economic inefficiency and waste casts some doubts on this explanation for them since the way in which these resources are used and distributed throughout the society is just as important as their being in short supply. In this connection, the economic crisis has been of some benefit in that it has thrown light on the irrational (from the point of view of the interests of the general public) way in which these resources are used in Latin American metropolises.

In short, it may be worth repeating that the problems which affect the metropolises most closely do not relate directly to their size; they bear a closer relationship to the approach adopted to growth and to the distribution of the costs and benefits of urban development. Waste, air pollution, transport problems and problems related to urban poverty are more closely related to the layout of the city and to the contradiction between the privatization of benefits and the socialization of the costs of urban development than to the size of metropolises.

### III. METROPOLITAN PROBLEMS IN AN ATMOSPHERE OF ECONOMIC CRISIS

There now seems to be no doubt that the process of human settlement and, more particularly, that of metropolitanization is closely linked to the broader processes of social change and development and interact with them in such a way that the two types of process condition each other. This means that the ways in which space is occupied, organized, developed and used are historically determined by the characteristics of production and their impact on the social structure and that the pattern of settlement characteristic of any given society is a byproduct of the style of development which predominates in it.

It is against this theoretical background that consideration can be given to the links between the various problem areas detected in large cities and the contemporary economic crisis.

The present world economic recession is reflected largely in a worsening of the so-called contemporary urban crisis. While this crisis affects the metropolises of the developed countries, its impact on those of the third world countries is particularly severe. In these countries, the larger cities carry an increasing amount of economic and demographic weight. As for development financing, it consists largely in the financing of the growth of these cities, and for this reason, the critical nature of the financial aspects of the world recession is a direct threat to the well-being of the inhabitants of large cities since it plainly leads to further deterioration of their life style.

/The so-called

The so-called international recession actually consists in a structural crisis in which recessive, financial problems as well as more visible disequilibria characterize a situation which might appear to be temporary but is in fact of such a long-term nature as to be virtually permanent. In actual fact, it might well mark the tailing off of the expansive phase of capitalism, a process which is closely related to the worsening of the contemporary urban crisis.

The urban crisis in the third world is therefore related not only to the staggering increase in the size of large cities and the high degree of concentration involved in urban development as a result but is also due to a large extent to long-standing problem situations of a structural nature, which are linked to the styles of development which now prevail.

This would seem a good point at which to pause for a moment to make an in-depth, although brief, analysis of the practical effects which the present crisis has on the metropolitan problems referred to above.

Although the relevant quantitative information is still not available, it seems clear that waste in metropolitan areas has, at the very least, become more pronounced since the crisis began, and it is, of course, obvious that those things which characterized metropolises before the crisis cannot survive. The restriction of investment resources characteristic of the critical situation at present should motivate their social concentration since that is the only way of keeping urban structures and mechanisms, which are very much involved in the waste described above, in operation. As economic policies drawn up within the framework of the guidelines of the International Monetary Fund contribute to rises in public utility rates and in fuel prices, restrictions on public spending, etc., they favour tendencies towards social concentration with the almost immediate result that inequalities are intensified --not only are the poor unable to look forward to urban investments of direct benefit to them, but they are unable even to pay their basic utility bills. According to Sachs, the crisis will intensify the competition between the "upper city" and the "lower city", and the result will be a concentration of resources in the former. There is no way of ensuring that the situation of those who are already poor does not grow worse or that the middle classes may not also be seriously affected. In short, the crisis causes the "formal" city to contract, leaving the wasteful life styles adopted by the upper classes prior to the crisis more or less untouched. The resulting increase in social pauperization is a prelude to a long period of social pressure and conflict, and there will be an increasingly intense confrontation between the forces backing democratization and those which favour the type of metropolitan economic and administrative structures which result in inequality and waste.

The crisis is also responsible for the fact that investment efforts are focused on emergencies due either to social pressure or to lack of resources, and this is incompatible with the solution of critical situations such as those relating to the environment either because they call for investments which appear superfluous in the light of the crisis or because they are viewed from more long-term perspectives.

In the case recently referred to, for example, the increased immediatism which may result from the rejection of policies with a delayed impact more favours the increase of pressure on the natural ecosystems which provide raw materials and energy

/for metropolises.

for metropolises. In this way, the crisis contributes to wastefulness, defined from an environmental point of view, by fostering excessive use of energy and raw materials, which, in turn, leads to the deterioration of natural ecosystems. In social terms, the crisis also accentuates wastefulness in that part of the labour force which has an obvious potential for co-operation and a high level of training, tends to diminish as a result of long periods of unemployment or of the continuous performance of unskilled labour.

This situation points to, inter alia, the need to: a) change metropolitan socio-economic structures based on the privatization of benefits and the socialization of costs, since such structures foment wastefulness and social inequality; b) look for time-space adaptability in social demands to keep them from fluctuating so much, thereby decreasing the waste caused by urban infrastructures which are in disuse much of the time; c) harness underutilized resources, such as manpower, the potential for co-operation in work, idle productive capacity, waste materials and the agricultural capacity of undeveloped land within metropolises or in the countryside around them and, finally, d) reduce the pressure leading to excessive use of materials, energy and resources found in natural ecosystems.

Where transport is concerned, although the crisis does not appear to make any significant difference in the problems relating to congestion in metropolises, it undoubtedly contributes to social exclusion in respect of metropolitan transport systems. Thus, higher fares keep the poor from using mass transport, just as higher fuel prices keep the middle classes from using automobiles. It might even be argued that this kind of social exclusion is the only way of keeping traffic congestion within tolerable limits in existing situations where there is a shortage of resources for investing in infrastructure and equipment.

In the stage prior to the crisis, when neoliberal models were applied, unemployment was already high, which of course stimulated the informal economy, whose development is absolutely dependent on access to the more active metropolitan centres. Owing to rising public transport fares, however, people in the informal sectors must confine their travel largely to the areas where they live; the crisis can but make this phenomenon more pronounced, the results being greater spatial segregation.

The challenge presented by the crisis in so far as metropolitan transport problems and congestion in particular are concerned involves seeking ways of preventing the drop in life style associated with the need to travel more by foot or to spend an excessive amount of time commuting while at the same time decreasing congestion.

With regard to problems of access to urban land, it should be pointed out that they are particularly severe in the region due to the enforcement of neoliberal economic models in which policies favouring privatization and liberalization of markets are applied in some degree or other to the real estate sector, which has a particular impact on the operation of land markets in cities. The growth of the financial sector which these models promote, basically by fostering external indebtedness, results in higher growth rates of land prices, because of the increased resources channelled into investments in land. This, in combination with the reduction of State home construction programmes and the existence of political

/systems which

systems which are highly intolerant towards land invasion, is responsible for sharp cutbacks in the access of the population to urban land.

The advent of the crisis is associated with a drop in land prices. The marked contraction in demand, and particularly in demand for resources from abroad which could be channelled towards investments in land, and the fact that prospects were suddenly reversed are causing prices to drop from the peak they attained on the spiral set up by speculation. How unusual this phenomenon is may be judged from the fact that since the Second World War there had been no drops in urban land prices in periods of economic crisis. What was not unusual was that the crisis in the market economies was accompanied by stagnant prices, it being forecast that the economy would recover immediately once the crisis had been overcome.<sup>2/</sup>

When the crisis arose, urban segregation, which in the period prior to the crisis had resulted basically from the dynamic advance made by private land development into new parts of cities, was perpetuated through the concentration of the more limited investment resources in the "formal city" and particularly in the "upper city" referred to by Sachs. Consideration must be given to the fact that the housing and land policies applied in the pre-crisis period resulted in a considerable housing shortage reflected in higher levels of crowding and over-use of existing dwellings. This, in addition to being a source of environmental deterioration, reflects a build-up of social pressure for access to the land and thus represents a problem for emerging democratic systems which are very likely to come up against the danger of the unleashing of land invasion on a massive scale.

As demonstrated above, while neoliberal models stimulate the expansion of the private real estate sector and of land speculation in particular, they accentuate the degree to which poor people are excluded from the land and therefore result in increased poverty. The exclusion of the poor is seen both in absolute terms --in that levels of crowding are increased-- and in relative terms, in that it becomes more difficult to have access to land in locations provided with good services and integrated into the urban system.

In addition, these models are responsible for a substantial increase in structural unemployment, so that the urban groups affected are forced to develop a battery of informal machinery for subsistence and survival. The machinery for subsistence is used for the exchange of labour for money on a makeshift basis, and the machinery for survival is an alternative form of social security in which goods and services are exchanged as favours and gifts among people living at the same levels of precariousness. The latter practice gives rise to what have been called "reciprocal trade networks".<sup>3/</sup> Both the subsistence and the survival machinery are closely linked with spatial and territorial factors. The possibility of carrying out "informal" economic activities in order to subsist increases substantially when, for example, there is greater access to the most active centres within a metropolis or when the social structure of settlements is more widely diversified.

Reciprocal exchange networks, for their part, emerge and are established as a result of physical proximity and the day-to-day continuity of neighbourhood relations. Thus, these alternative mechanisms for subsistence and survival have had to be developed in spite of the fact that one of their grounds of being (access to the land) has been eroded by the forces of social exclusion from urban land which neoliberal models promote.

/The questions

The questions raised by the urban poverty crisis are as follows: a) how to increase the recourse had to the potential for organization, management and co-operation undeniably offered by the mechanisms for subsistence and survival; b) how to achieve greater degrees of decentralization of public administration and how to design urban policies which welcome and promote participation by the population at local levels in order to make the most of the potential offered by the mechanisms for subsistence and survival referred to above; this is an important problem in light of the fact that the demand for decentralization is not so much made on cultural grounds as it is an act of political will, reflecting an imperative of the present which must be met if the co-operation of the people is to be mobilized; c) how to ensure that the mechanisms referred to, which give rise to independent mobilization of resources by bottom-rung groups and to grassroots creativity, cease being channels of development which are designed for use in adversity and are therefore transitional, and become permanent modes of action --tools of development, used in combination with many other private and public efforts of varying kinds and degrees, in overcoming the crisis and, finally, d) how to benefit from the weakening of urban land speculation as a result of the crisis in order to design and apply sweeping policies aimed at providing access to the land, in view of the fact that land access is the basis of autonomous development at local level which policies of this and other kinds are trying to strengthen.4/

The crisis tends to aggravate the shortcomings of the traditional approaches to urban planning mentioned above in that greater stress is laid a) on emergency problems of the moment rather than on dynamic processes; b) on the physical dimensions of metropolitan life in their obvious and immediate aspects and in those aspects which are related to emergencies caused by the crisis rather than on the relationship between socio-economic and physical structures and c) on partial and sectoral approaches to the urban problems of the metropolis in preference to viewing them in their global totality. It was only to be expected that the priority concern shown for problems of the moment and for shortages requiring urgent attention, which is typical of conventional approaches to urban planning, would become more pronounced as a result of the crisis, in view of the fact that the crisis contributes to such problems and shortages. The "urgencies" of the moment and the spectacular way in which urban shortages occur mean that there is an increasing need to view things in a longer perspective so that cognizance can be taken of the factors which cause these deficits and consideration can be given to the potential offered by existing resources which are underutilized and to "informal" alternative mechanisms which have their origin mainly in the urban masses at the base of society.

Since the traditional approaches to urban planning become less operational as the crisis advances, the need to surmount this problem increases. Consideration must be given to the fact that, in addition to the approach characteristics described above, the urban planning which now prevails operates on the basis of an increasing number of inputs of investment resources --accompanied by significant levels of waste-- as a way of confronting metropolitan problems. To cope with this situation, as has already been pointed out there is a need for urban policies which can take advantage of the potential existing in the population base, so that it seems indispensable to carry out a detailed conceptual review and implement broad training programmes. The crisis requires that the priorities of urban planning should change, from seeking physical goals to strengthening processes, designing mechanisms for participation which go beyond the mere making of claims and greater co-ordination of sectoral policies and local efforts in accordance with an integrated view of the metropolitan areas in which it is assumed that efficiency is not obtained so much

/through specialization



through specialization as through a capacity to integrate diverse efforts. These are problems of great magnitude and affect not only institutionalized urban planning but also the intellectuals concerned with metropolitan problems, political parties and the various social organizations dealing with urban life and territorial communities.

In short, the economic and power structures which predominate in metropolises react to the crisis by enforcing measures aimed at the social concentration of resources as the only means of supporting themselves. Moreover, the crisis weakens some of those structures --as happens in the case of the market mechanisms linked to income from the land--, at the same time strengthening processes such as that of democratization. Finally, the crisis accentuates and increases the relative importance of other structures which are not part and parcel of the economic models which gave rise to it, as the subsistence and survival mechanisms are.

#### IV. OUTLOOK FOR METROPOLITAN PLANNING AND MANAGEMENT

From the considerations just given, it emerges that the crisis, at the same time as it weakens certain structures of a political as well as an economic nature, provides unmistakable possibilities for unleashing processes of change and thereby opening new prospects for development; everyone must know, for example, that the resurgence of democracy is closely related to the crisis. The many efforts to build broad consensus and channels of real participation, which are action imperatives if the levels of political stability needed to overcome the crisis are to be achieved, are also related to the crisis. Thus, the crisis, while it is accompanied by a worsening of problems and by an increase in external dependence, opens up significant possibilities for change and for cementing equitable, autonomous and sustained development processes.

This apparently contradictory dynamic which unleashes a crisis (worsening of problems and energizing of forces of change) is clearly reflected in Latin American metropolises. An analysis is made below of some important aspects of this dialectic.

Perhaps the main difficulty in overcoming the crisis lies in the existing economic, political, administrative and cultural structures. Their perpetuation comes into opposition, in an increasingly significant and obvious way, with the prospects for overcoming the crisis and with the interests of the large majorities. Thus, for example, the policies imposed by the International Monetary Fund (IMF) and, in general, by international and national financial interests are, to a great extent, accompanied by a worsening of the problems of stagnation, unemployment and social, economic and cultural inequality. As a general rule, these policies are markedly reactive, as hegemonic structures and interests which are being rocked to their roots tend to be, and are far from being far-reaching development strategies; their success depends to a great extent on their being accompanied by a significant rate of economic growth which, paradoxically, they themselves tend to prevent.

As we have seen, the now chronic scarcity of resources in metropolitan areas is not per se responsible for problems in and of the city including, in particular, the worsening of internal social inequalities; the difficulty probably lies more in

/the persistence

the persistence of regressive structures and mechanisms for the distribution of resources and benefits of urban development than in the scarcity of investment resources.

The problems to which the crisis gives rise in terms of full utilization of available resources, intensification of social participation, decentralization, etc., are especially relevant in this connection. The difficulty is not, however, easily tackled in view of the centralized character of State administrative structures in Latin America, the fact that the channels for citizens' participation usually operate on the basis of exclusion and the predominance of the interests of the leading economic and political structures. The trend towards centralization persists in spite of numerous laws and initiatives which have been proposed with the objective of reversing it but have had no significant effect because usually they are not accompanied by the redistribution of resources in favour of local governments. In addition, even when more local decentralization is achieved within metropolises, this does not appear to have automatically guaranteed a greater degree of social participation in local development efforts, as is customarily assumed; from the point of view of any resident of a metropolis, a decision taken by an official in a centralized State agency is just as external and arbitrary as one taken by a municipal official if it is adopted without the real participation of the community, at least in so far as the definition of problems is concerned.

Social participation in metropolitan development is thus hindered by certain persistent elements which characterize public activity and are related to the nature of the Latin American State. Its expansion as an administrative apparatus has historically been linked to the need to increase employment opportunities at the various levels of government, under strategies aimed either at political co-optation or at expansion of domestic demand. Thus, the work of government officials has become "over-bureaucratized", and undue emphasis is placed on their supervisory, monitoring and prohibitory duties at the expense of their promotion and investment activities.

From a sociological point of view, this behaviour comes as no surprise. Often people employed in administrative categories justify their existence in an organization by erecting barriers, and establishing prohibitions and all kinds of controls. The less need there really is for a past, the more pronounced this reaction will be.

The promotion and investment activities of the Latin American State are, for their part, usually dominated by a technocratic mentality which automatically excludes the possibility of any form of significant participation in and commitment to the plans and programmes of the public sector on the part of the population. This mentality grows out of a philosophy of professional autonomy (emphasized by the educational systems themselves) which, although it fosters vocations for community service, gives credence to the idea that the solutions to problems are technical and that only professionals, not the population as a whole, can decide to adopt them.

Actually, metropolitanization has created a new administrative dimension to which neither the legal and institutional structures nor the theoretical infrastructure and vocational training programmes were adopted. The administration of large cities cannot be efficient if it is regulated by rules created for a very different scale of agglomeration; the magnitude and nature of metropolitan problems calls for new skills and new modes of organization.

/The training

The training of metropolitan authorities seems indispensable. In order to control land use effectively, create new transport and service enterprises, purchase land, construct buildings and infrastructure, decentralize duties, reorganize the workday and carry out vast internal rehabilitation programmes, there is a vital need for power and resources to be concentrated in a way which is, in general, unavailable to metropolitan authorities at the present time.

It is impossible to exercise sufficient control over the utilization of land when, as frequently happens, there are independent municipal authorities within the metropolitan area. The municipalities which share in local administration sometimes belong to different states or provinces. The taking of the necessary integrating action does not eliminate the obstacles which must be surmounted, especially in the field of taxation. This does not, however, appear to be an insoluble problem, given the good will of the central authority. The creation of a politically strong authority is facilitated when the administration of a metropolis is directly in the hands of the central government, as happens in some metropolitan areas which are capitals of countries.

Political power is, however, not enough; it is essential to be able to rely on a considerable amount of economic power; especially in free enterprise systems. The metropolitan authority must have access to the means needed to establish public services, make far-reaching investments and intervene in the land market by forming land reserves and by participating actively in the market.

Within the metropolises, there are, however, sources of political and economic power which could be mobilized in a new approach to metropolitan management. Actually, the resources which exist within metropolitan areas are many times more numerous than those which are available to all other human settlements. They must, however, be concentrated and placed under the responsibility of the new metropolitan authorities.

In addition to this need to effect changes in the administration of metropolises, there is a need to make institutional changes allowing for the participation of the population. As has already been pointed out, participation is an effective way of incorporating new resources into urban management. These resources, as stated, include not only capital but are primarily made up of initiatives and co-operation and mobilization of the collective effort.

The participation of the population is also important as a means of strengthening public control over municipal management. As a result of their operational limitations, subordinate authorities do not always have the ability to cope with pressures from interest groups many times more powerful than the municipalities themselves.<sup>5/</sup>

The emphasis placed on participation and on the strengthening of local metropolitan governments does not represent an attempt to establish new autocratic administrative units. Although autonomy is necessary for mobilizing local initiatives and skills, the intervention of the central government must be regarded as an additional force serving the same end in that it not only puts local action within the framework of national policies but --even more important-- uses external incentives to promote action by dynamic agents in the community.

/Increasing the

Increasing the autonomy of the local government in the countries of the region has not yet been recognized as necessary and as a decisive step in the efforts to improve the quality of life of the inhabitants of large sectors of the metropolitan areas of the region. Their probable incorporation will have to be effected within the context of heterogeneous national situations, some of which provide valuable experience of administrative effectiveness. The process will have to be gradual in the majority of the countries so that significant changes can be made in their administrative organization, legal structure, legislation and tax system. It will also call for the incorporation of more advanced techniques of social communication and for the training of large numbers of qualified personnel.

#### Notes

1/ Larissa Lomnitz, ¿Cómo sobreviven los marginados? (Mexico City, Ediciones Siglo Veintiuno, 1977).

2/ Haim Darin Drabkin, Land Policy and Urban Growth (Elmsford, New York; Pergamon Press; 1977).

3/ Lomnitz, op. cit.

4/ Ricardo Jordán Fuchs and F. Sabatini, "Public land acquisition in Latin America", 1985 (preliminary version).

5/ Eduardo Neira, "Políticas de asentamiento humano para América Latina", 1985 (preliminary version).