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from the ringside

Part - I

### **Mexico City: Mega Ciudad, Mega Challenges**

The Global Commission on International Migration (GCIM), of which I am a member, has been conducting regional hearings before finalising their report. The last regional hearing for the Americas is being held in Mexico City. In a sense there could be no better venue — Mexico City represents the complex dynamics of mega city problems compounded by relentless internal and external migration. It represents a case study of the problems of urbanisation that await us in this century.

According to the projections by the UN Population Division, the world's urban population continues to grow faster than its total population and over 3 billion people representing 48 per cent of the mankind live in urban settlements. This is expected to rise to 4 billion by 2017 and 5 billion by 2030. The change will take place mostly in developing countries since in the more developed economies, 75 per cent of the population already live in urban areas. In developing countries, Asia will see the most dramatic changes. The proportion of people living in mega cities (urban agglomerations of 10 million people and more) is 4 per cent, while those in cities with 5-10 million is somewhat less. About 30 per cent live in urban settlements with fewer than 5,00,000 inhabitants. Tokyo is the largest mega city with 35 million followed by Mexico City with 18.7, New York with 18.3, Sao Paulo with 17.9 and Mumbai with 17.4 million. By 2015, Tokyo would continue to be the largest urban agglomeration with 36 million followed by Mumbai with 22.6, Delhi and Mexico City with 20.6. All available accounts suggest that changing demographics and work culture will make the 21st century the 'Urban Century'.

However mega cities — the world's largest conglomerates — will also manifest the scourge on 19th century style poverty. In an article on *Yale Global Online*, Deane Neubauer emphasises that while globalisation has enhanced the pace of rapid urban growth, a paradox of global development is that while some residents will live at the cutting edge of 21st century and its abundant wealth others will reproduce impoverished economic and social relations typical of 19th century Euro-American industrial development.

Mexico City became a centre of migration during the Revolution of 1920-21 with people escaping the violence occurring in others parts of Mexico. Since then it has doubled in size every 15 years. During the 1930 and 1960s, it attracted those seeking employment based on activities to cater to its internal market needs, in view of the renewed focus on import substitution. Migrants moved in with their families and many started living in shanty-towns, generating severe pressure on civic amenities.

Currently, 80 per cent of Mexican population lives in urban areas and one third of the residents in Mexico City are migrants. Mexico City's population density now

competes with Tokyo and New York and of the 20 million people living here only 60 per cent were born here and 40 per cent are migrants.

An analysis of the risks, potential and opportunities of mega cities must address multiple concerns. Density of the population, skills, infrastructure and assets compressed in small areas that generate large income with a multiplier effects on the peripheral economy. Inexpensive skilled labour and concentration of capital stock attracts investment. Thailand's 20 per cent of population in Bangkok produce 70 per cent of the country's GDP. While the backlash effect deprives the periphery areas of skilled labour the 'trickle down effect' can often be significant.

However, the sustainability of infrastructure, housing, electricity, water, sanitation needs vision and coherence in approach. So do the needs of social sector particularly Health and Education. The dynamic natures of the complexities do not lend themselves to a one-time solution. The sustainability of the dynamics is critical.

Social cohesiveness with rising income disparities evident in a small concentrated area enhances risks and vulnerabilities in patterns of crime and potential conflict between ethnic and religious groups. Wide differences in the cultural and social background of international migrants with variations in the degree of integration achieved creates incomparable hybrids. They are often inherently unstable. Indeed, the UN Conference on Human Settlement raises basic issues on strategies for urban development including multiple levels of planning (area plan, district plan, sector plan in a multi-centric and multi-level urban spatial structure).

Enabling credit, tax and fiscal policies that are adequate to generate the large resources necessary for long-term sustainability requires harmonising conflicting needs of new investment with costs for operation and maintenance. Innovative transport systems and efficient and economic use of energy with other limited natural resources require imaginative policy convergence.

All this cannot be achieved without a governance structure that combines autonomy to de-centralised entities while maintaining the integrity of central entities to prevent the curse of informal markets and authorities from hurting the poor. Both informal markets and authorities take varied forms that are not easy to reign in.

Risks and vulnerability assessments must include consideration of environment and ecological consequences, the pollution of air, water and soil. Pollution from manufacturing activity which began prior to demographic bulge in the urban conglomerates, coupled with externalities of scale lowering cost of acquisition of cars makes it difficult for local authorities to relocate industries or apply penal charges to discourage vehicular traffic in high density segments.

Mobilisation of local resources is not easy. Levying local taxes on the poor must be sensitive on their capacity to pay combined with efficient spending of public funds. Taxation methods and collection procedures need to be transparent and friendly. Model Legislation on house, land tax and tax on other urban activities are not easy to craft and even more difficult to implement.

Growth of mega cities and large urban agglomerates is an inevitable consequence of globalisation. Just like other facets of globalisation, it is fraught with

opportunities and risks. The challenge is to grasp the opportunities and minimise the risks. And to capitalise on the enormous growth potential and multiplier effect of this concentration of wealth, labour and managerial skills to augment growth and productivity and to do so in a manner which is environmentally sustainable. Mexico City is still grappling with these challenges. So is India. We need to consider whether the Indian response is sensitive and adequate.

*(India's response will be carried in my next piece)*