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Rapid Modernization and Metropolitanization:

Notes about Brazil and other Latin American Countries

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Introduction

The objective of these notes is to give the reader an overview of the phenomenon of rapid modernization and metropolitanization that occurred in some Latin American countries. Particular attention is given to Brazil, more due to my knowledge limitations than to substantive reasons. Still, Brazil remains an important country in this debate due not only to the fact that it comprises most of the territory and half of the population of Latin America but also because it had taken some important initiatives in the field of urban planning. To make this overview I have been selective, choosing issues that I believe could be of interest to a non-Latin American audience.

A generalization about Latin American countries incurs in a great risk of failing. The distributions of populations in these countries do not share a common history, not even in the recent past. Moreover, there is much inequality in the paths of development of these countries and its consequences in terms of urbanization. Speaking of Latin America (LA) as a whole implies neglecting the differences between agricultural economies of small countries and predominantly industrialized economies of some of its countries.

Despite the title, dealing with the entire Latin American region is outside of the scope – and possibilities – of this paper. Because the paper aims at highlighting aspects of interest for urban planning in rapidly growing economies of Asia, particularly India, its focus will be on metropolitan areas of the most industrialized countries of the region, namely Mexico, Brazil, Argentina and Colombia. Altogether these countries add up to about four fifths of the population the large majority of the metropolitan inhabitants of LA.

Metropolitanization can be approached from many perspectives. Mine is quite restricted. My main concern here is with social inequality and mobility and therefore I focus on modernization, due to its obvious implications to these issues in the case of Latin America. Evidently, not all migration to urban areas has been determined by modernization. In the second part of these notes, however, I also touch some points related to the allocation of public spending and the political mobilization that governs it.

Moreover, I am discussing a particular type of urbanization, the metropolitanization. I intentionally make the difference in order to separate the emergence of a series of small cities from the creation of a very large and highly centralized urban space (highly centralized in political and institutional terms). Much of this metropolitanization results from mass migration but, of course, the contrary is not necessarily true, there have been fairly large migration movements in Latin America with non-urban destinations. I am also privileging permanent migration, as opposed to seasonal or temporary migration.

To make some of my points clearer I feel I owe the readers a brief overview of the phenomena of modernization and metropolitanization in Latin America. Being probably redundant and superficial I beg their patience. For those who may not find this overview necessary, the entire following subsection can be skipped as I begin the exposition of my arguments in the subsection 'Responding to Metropolitanization'. This latter section basically addresses the insufficiency of 'economic development' for urban planning, the need of governmental arrangements reflecting the geographical dispersion of the cities to administrate taxation and spending, the need of urban land reform, the increase and change in the distribution of public expenditures, the spatial decentralization of metropolises and the questions regarding the necessary political mobilization to carry on most of these measures.

The macro-determinants of metropolitanization

At least five important determinants of metropolitanization in Latin America can be

highlighted. They are the very high concentration of land, the agribusiness aspect of rural production, the strategies adopted for industrial development and the changes in occupational structures caused by industrialization. In each country they played different roles but, in general, they have all been important for the creation of metropolitan areas.

Land concentration in Latin America is very high. In a country like Brazil the Gini coefficient of private land property is superior to 0.8; for reference, the same measure for income inequality in the most unequal countries of the world is not much higher than 0.6. This concentration is a problem previous to modernization. During European occupation, Spain and Portugal have given to single individuals tracks of land of the size of entire European countries but long term history is certainly not the only explanation to the fact, as I point below..

Related to this concentration is monoculture agricultural production oriented to export since colonization. The 'village production' oriented to self-consumption and neighbor markets exists, but in small scale, and is more commonly found in areas that once constituted the Inca and Maya empires, that is, the mountainous areas of Andean countries, and some regions of Argentina and Brazil. As a consequence, agricultural jobs were mostly some variation of wage labor when industrialization begun. Many farmers did not have the property of the land they worked at, particularly in Argentina and Brazil and, to a lesser extent, Colombia. This lack of attachment to the land due to its ownership is an obvious factor facilitating migration.

The export-oriented monoculture production developed into agribusiness, with a gradual but steady shift to capital intensive production (mechanization). Such shift reduces the demand for wage laborers, creating a particular form of rural underemployment. In addition, the control of production and distribution of agricultural production under a capitalist semi-monopolistic model (credit, regulation of stocks, speculation, access to international markets) related to agribusiness run small scale producers out of business, increasing land concentration even more and releasing more people for migration.

These phenomena have been extensively studied but one aspect of land concentration that has not been subject to much analysis is the speculative use of rural land under the expectation of future urbanization. As metropolitanization occurs in an accelerated pace, keeping or buying farms until they become potential urban land to be parceled and sold becomes a lucrative business. The concentrated ownership of the potential urban land has very important consequences for urban planning. Few but powerful owners become politically influent to the point of determining how cities should be planned; moreover, they can illegally parcel large areas and, relying in the slowness of court decisions regarding their parceling, they create entire neighborhoods in a matter of months; once occupied it is virtually impossible to remove the tenants without creating a huge social problem. Therefore, illegal parceling of land by large owners is, to some extent, determining urban planning.

Industrial development strategies also played an important role in configuring cities in Latin America. Most import-substitution industrialization was done favoring the spatial concentration of industries – the 'poles of development – strategy. As a result, instead of a urbanization characterized by the creation of a series of small cities, industrialized Latin American countries observed an impressive metropolitanization of their urban spaces. The cities of Mexico, Buenos Aires, Sao Paulo and Rio, to name a few, are huge in absolute terms, even when compared to Asian cities, and even bigger in relative terms when the population density of these countries is taken into account. This phenomena is fairly predictable and has also occurred in other regions of the world; what is perhaps more relevant here is one of its consequences: a shift on types of poverty, from a 'underdevelopment' type to a 'social exclusion' type of poverty. Of course, each type requires different policies to be addressed.

Urbanization made misery visible. Poverty and wealth become spatially close to each other. But the urbanization associated to industrialization, even for the poorer workers, cannot be immediately associated to a decrease in quality of life. In the more developed countries of the region, industrialization opened new and better jobs (better from the monetary point of view), including in the service sector that emerges to attend the new demands of an urban population. In Brazil, migration from rural to urban areas is very often associated to ascending inter-generational social mobility (measured using both occupation-based classes and estimated wages).

The perspective of upwards social mobility after migration to urban areas seems to be higher in the countries with the worst distributions of incomes. However, studies about inter-generational mobility in Brazil and Mexico suggest that there is much incidence of upward mobility – that is, much people moving – but a low intensity of mobility – ie. short distance movements. Urbanization, therefore, seems to be positive for the work of the poor.

Labor market advantages translate into more capacity to consume commodities. In addition to that, urbanization in Latin America is also associated with the consumption of non-commoditized or subsidized goods and services such as health, schooling, etc. Brazil is a more radical example. All education and health services there are provided entirely free (with questionable quality, truth be said), but access to these services outside urban areas is very limited.

The concentration of public services, including paid services, in metropolitan areas typically occurs in countries with large economies of scale. Combined with better labor market opportunities, this provides incentives to a fast urbanization. Brazil, in the 1940's, was predominantly a rural country; in the 1970's already 75% of the population was living in urban areas. Actually, most of the urbanization happened in a lapse of 25 years, very little in terms of urban planning.

The consequences of massive urbanization

It is not rare to see metropolitanization being criticized for its negative impacts. They obviously exist. But undoubtedly it brings a series of positive impacts for the migrant population. There is solid empirical evidence about Brazil showing that

a. Social mobility increases – more occupational opportunities, more gender equality, more access to education.

b. most conventional social indicators improve: under five mortality, schooling, immunization coverage, sanitation, electricity; the only clear exception is on labor indicators (which are not comparable), particularly unemployment rates.

The relevant question here is not so much whether they are better than before but how much better they could be.

Responding to metropolitanization

I will discuss six main arguments which, in a general manner, apply to Latin America, but I would risk saying that they are likely to be valid to other regions as well. First, that 'economic development' is an insufficient response to the problems of metropolitan areas; governments

have to do what markets cannot, thus taxation and public spending are major issues in urban planning. Second, that institutional arrangements for taxation and spending of public money based on geographical areas that do not coincide with the city are probably inadequate; administrative institutions have to reflect the real geographical dispersion of the cities. Third, we need not to be shy about putting urban land reform in the political agenda since it is an unavoidable necessity. Fourth, government spending in urban utilities and services has to increase, but the distribution of the current spending also have to improve. Fifth I address the question of political mobilization that underlies most of the problems in urban planning by mentioning successful experiences of promotion of such organization at community or neighborhood levels. Finally I mention examples of spatial decentralization, also an issue I consider relevant in the case of metropolitanization.

In no metropolitan area of Latin American countries – or elsewhere – markets were able to be the main regulatory force in the improvement of the quality of life of the poorest population. Which is rather obvious fact has an also obvious implication: economic growth and other related macro-economic are not necessarily solutions for the problems of metropolitan areas. It is not that growth is no good; it is insufficient. Markets cannot deal with a hugely complex and long term problem such as the constitution of a large city: it requires planning and public spending. Of course, spending has to be financed. Therefore, one important dimension of the planning and administration of a metropolitan area is taxation and spending.

Both taxation and spending require institutional arrangements for public administration. These institutional arrangements have the form of local governments, usually municipalities in the case of Latin America. However, municipal institutions are not adequate to deal with such problem due to the simple fact that they artificially divide a city, often in a way that makes administration very hard. The problem resides not only in the difficulties related to the provision of services to populations sometimes separated only by a street, but extends to disputes over jurisdictions (including taxation of VAT or of land) and over political power, possibly resulting in competing political parties administrating a same city and using urban planning in their political maneuvers.

Taxation and spending in utilities and services alone will hardly be enough. Urban planning favoring the poor depends on land allocation and it is hard to imagine how this can be done in Latin American metropolises without changes in the way urban land is distributed. However, fears of totalitarianism in Latin America prevent the political discussion of urban land reforms and legal principles defending the 'sanctity of the household', which are present in the legal frameworks of most countries of the region (Roman Code type of legislations), give judiciary protection against reform initiatives. It is hard to estimate the extent to which these reforms would be feasible, but several cities have done it in small/medium scale for re-urbanization and transportation (London, Paris, Delhi). It can be done in large scale but has obviously to occupy space in the political agenda first.

The share of government expenditures in GDP in most Latin American countries can be considered low. Perhaps only Brazil, Argentina, Venezuela, Uruguay and to some extent Mexico have higher relative levels of expenditure. In Brazil they are slightly above one third of GDP. But only a small part of that expenditure goes to urbanization. Since urban utilities depends basically on government spending, there is no alternative, budgets for public urban policies have to be increased. But it is not all about level: expenditures are concentrated in richer areas – they are not pro-poor. The high levels of per capita income distribution in LA countries are boosted by high levels of concentration of public expenditures in higher income areas of cities. Of course, as the allocation of the public budget is basically a political issue, it is through incentives to the political mobilization of neighborhoods that this distribution can change.

Mobilizing political groups can be done in different ways, but I want to mention two concrete alternatives arisen in Brazil. The first one is the promotion by non-governmental organizations of local neighborhood, non-partisan interest groups. Note that they are not self-help or services-oriented community groups but political pressure groups. Whether or not these groups should and could remain non-partisan is a delicate issue to deal with, but the fact is that some of these groups have been successful in some cities. The other one, more widely known, is the participatory budget. This basically consists in deciding the budget in a public assembly, in which deputies are indicated by their communities (or at least answer directly to them).

Finally, I would like to add in this note what is rather obvious in metropolises all around the world: efficient transportation systems are important but decentralization also is. My knowledge in this issue is limited but I want to show one exemplar case, again in Brazil. In the 1950s Brazil has moved the entire capital city to a different place (from Rio to Brasilia). The objectives of the time were more related to the occupation of the territory and regional inequalities but the example shows that it is perfectly feasible to make large scale decentralizations. In the 2000s, the local government of Brasilia responded to metropolitanization by moving a very large part of the administrative body from the city center to a neighboring city, this time with clear intentions of reducing the spatial centralization of the city. What seemed to be at first an expensive measure showed to be, in fact, cost reducing, due to the lower costs of rent and land in suburban areas.