

# Seminar on Urban Poverty, Slums and Developing Countries

## Latin American Experience

José Brakarz  
Inter-American Development Bank  
April, 2009

# Synthesis

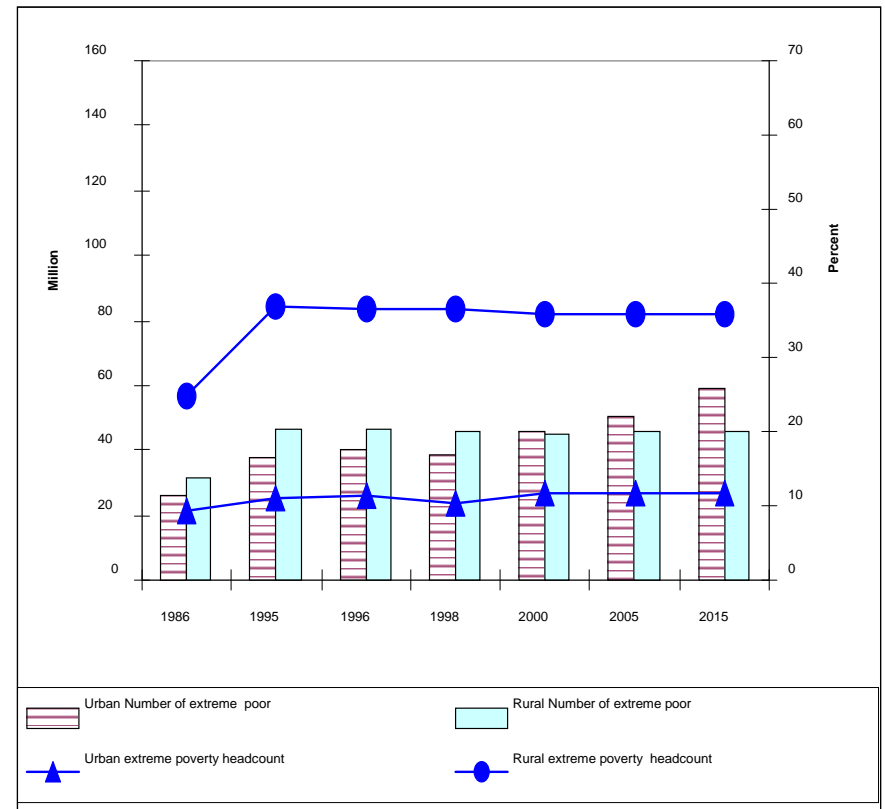
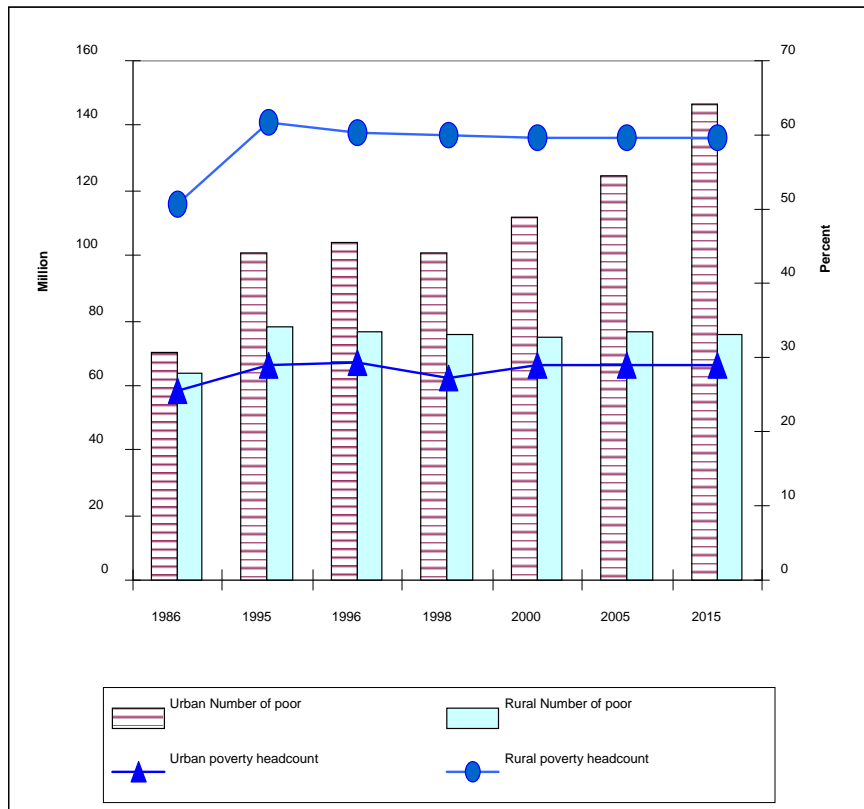
- I. Macro View of Urbanization
- II. Micro View – Perspective from below
- III. Best Practices
  - Integrated Slum Upgrading Approach
  - Lessons and Perspectives

# I. Urbanization of Poverty

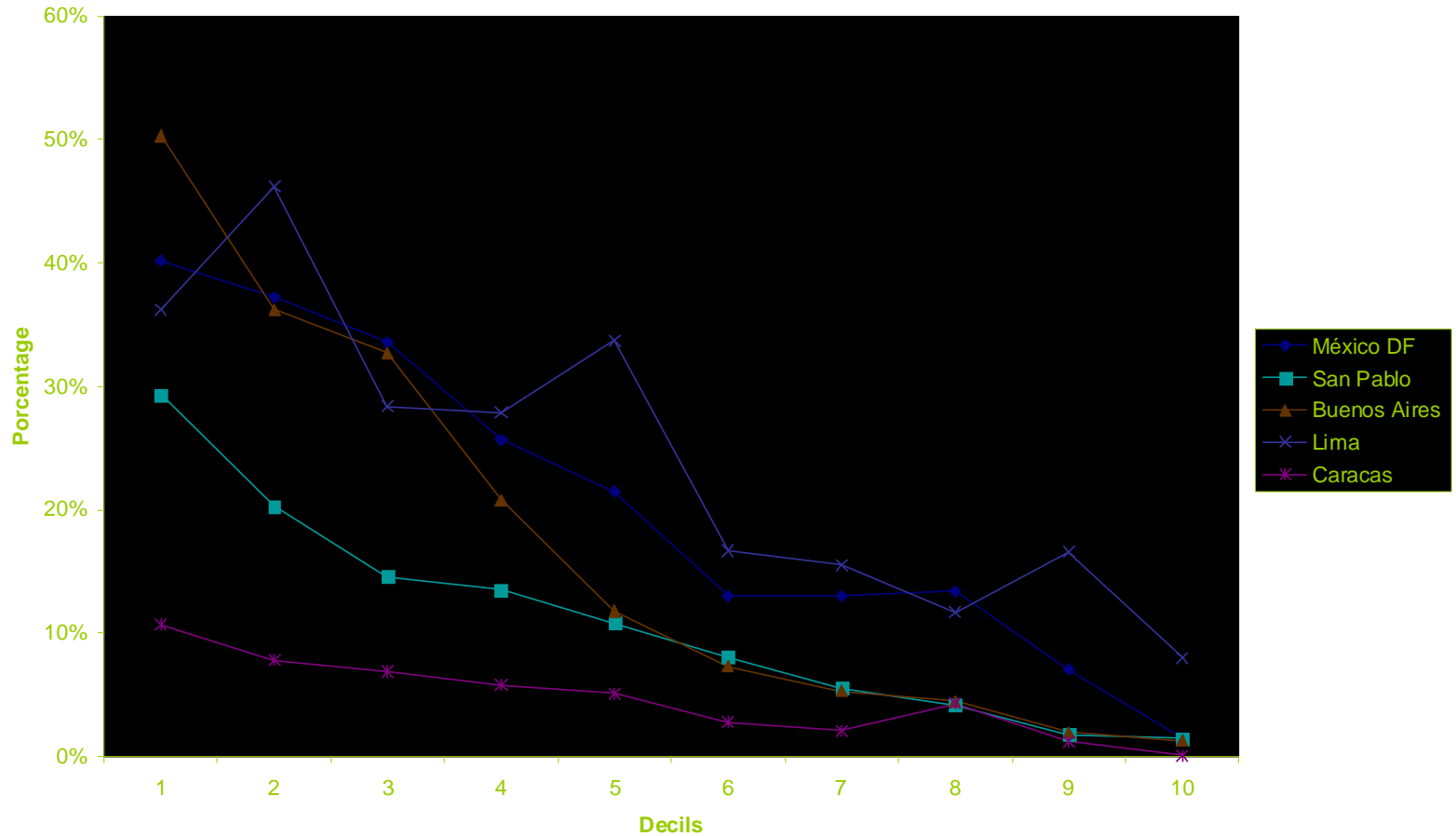
- Increasingly urbanized world
- Migration of poverty
- 1/3 of Latin American Cities are “informal”
- 2/3 of African Cities lack basic urban services
- Social, Environmental and Economic Crisis

- Urbanization increases the absolute number of poor

Growth of Urban population and percentage of urban poor



## Percentage of Households with inadequate services, by deciles



Source: Cristini y Moya (2008)

# Benefits of Urbanization

- 85% of GDP is generated in cities
- Urbanization is associated with higher incomes and greater access to urban and social services
- Higher labor productivity

## II. View from Bellow

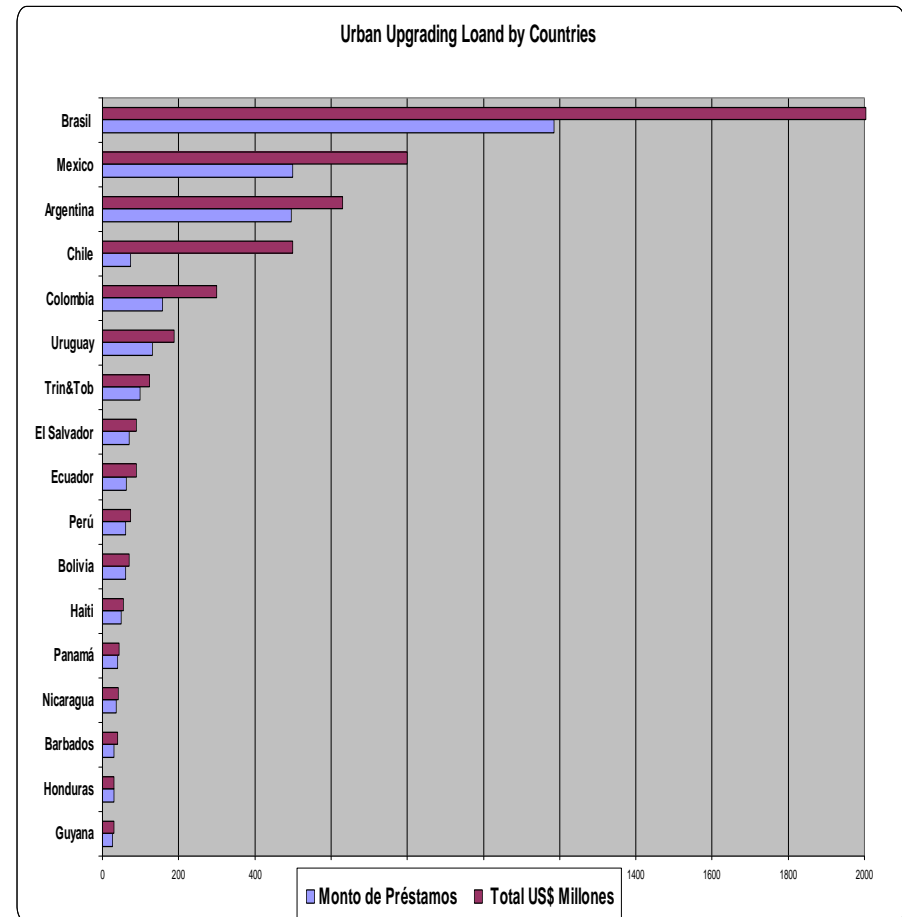
- ✓ Urban Migration increases the prospects of life improvement
- ✓ City offer employment opportunities (formal and informal)
- ✓ Adaptation to urban life is gradual: progressive housing, education of second generation
- ✓ Slums offer a social safety net

# III. Best Practices

- Eradicate slums and replace with public housing => ideal but expensive
- Gradual integration of formal and informal cities
- **Integrated slum upgrading** approach: preferred solution

# Integrated Urbanization

- Successful model, applied in 18 Latin American Countries by IDB
- US\$ 6 billion in slum upgrading projects, over 4 million families benefitted



# Concept of Slum Upgrading

- **Basic urban infrastructure package** (sanitation, street system, drainage, parks, etc.)
- **Social services** (child care centers, health care centers, schools, community centers)
- **Emphasis on community participation**
- **Resettlement** of families and housing improvements
- **Property legalization** (titling)

# Before and After



# Before and After



# Impacts

- Urban Integration
- Improvement in Living Conditions (health, sanitation)
- Poverty reduction (property values increase)

# Conclusion: Is it feasible in large scale?

- Costs considerations (US\$ 3 – 6 thousand p/hh)
- Managerial challenge: complex implementation, demands qualified staff
- Better implemented by local governments
  
- Does not resolve all social issues: violence, education quality, vulnerable groups
- Is first step towards “formality”. Needs complementary policies and prevention of slums
- Has to be closely monitored

