

# Promoting Equitable Economic Growth in Cities

## Joint Work Programme



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Over the past decade, the statement that “cities are the engines of economic growth” has been often repeated. Yet, nothing is certain about the growth trajectories of cities. Many struggle to increase productivity and provide basic economic opportunities to growing populations. Despite the massive wealth generated in cities, roughly one quarter of the world’s urban population – almost 900 million people – lives and works in slums.

The challenges are manifold. Low-income and secondary cities are unable to attract investment necessary for infrastructure development, job creation and productivity. Revenues often remain low and unpredictable, undermining cities’ ability to support a healthy, skilled and

productive workforce. The result is cities with large infrastructure and service shortfalls, poor economic prospects and growing urban poverty.

Many cities in both low and high-income countries face stark unemployment challenges. Globally, 43 per cent of the youth labour force remains either unemployed or working yet lives in poverty. The inability of urban labour markets to provide economic opportunity to growing populations has led to widespread informality. In most developing regions informal employment represents more than half of non-agricultural employment. In all cities, high inequality – both income and opportunity – threatens economic growth and human development.



### The Equitable Economic Growth Challenge

It is clear that for countries, cities and citizens to prosper, growth and inequality cannot be treated separately. Rather, growth must be equitable: generating more and equal opportunities for all.

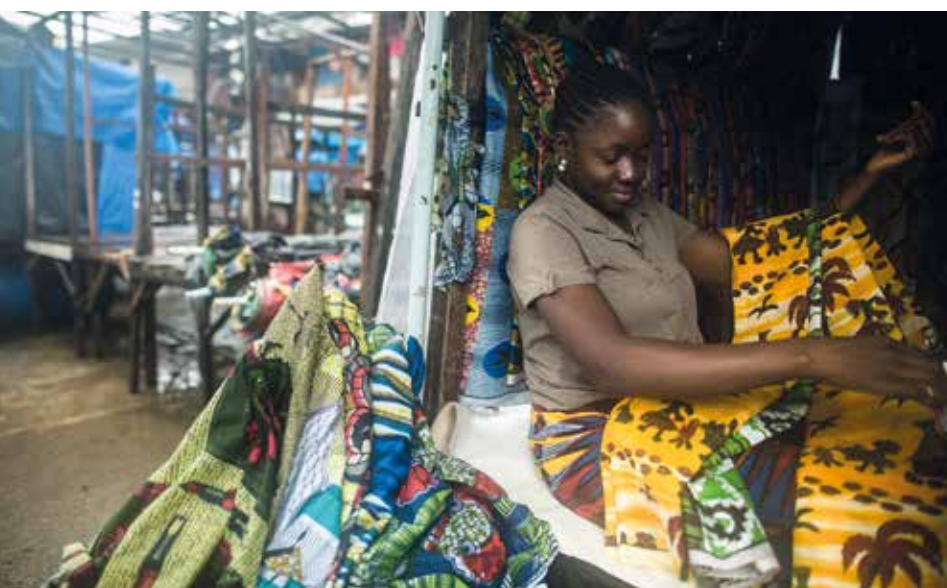
In an increasingly urban world, cities – those who govern, live and work in them – have an important role to play in fostering equitable economic growth. At the same time, the response from development partners needs to

facilitate learning from successful strategies and approaches, and raise awareness of policies that promote equitable economic growth in cities.

### Exploring the Role of Public Goods and Services in Cities

Widespread access to public goods and services is crucial for equitable economic growth. Access to social services, such as education and health care, is determinant of a healthy and productive labour force with skills and knowledge to drive the urban economy. Ensuring access to education is generally the most effective way to reduce inequality of opportunity and limit social exclusion, which in turn increases intergenerational mobility.

The universal provision of basic infrastructure, such as Water, Sanitation and Hygiene (WASH) services, is fundamental to increasing the productivity of people and businesses alike. An effective, affordable transport infrastructure is required to avoid congestion and reap the economic benefits of connectivity.



Vendor in West Point, Liberia © Morgana Wingard/UNDP



*The Indian railways power ahead © Dhiraj Singh/UNDP India*

No economy can thrive without reliable sources and supply of energy, especially electricity. Public space is essential to the livelihoods and productivity of informal workers, who often operate in the streets and open areas of the city.

We know that improved access to public goods and services generally benefits the poor. We also know that it strengthens the fundamental prerequisites for growth and productivity, enabling cities to benefit from economies of agglomeration and scale. At the same time, more knowledge is needed to explore exactly how these goods and services support equitable economic growth in cities, as well as how such processes are most effectively supported both locally and globally.

### **Partnering for knowledge, dialogue and policies**

As part of its Medium Term Strategy (2014-2017), aimed at promoting Equity in Cities, Cities

Alliance has established a multi-year Joint Work Programme (JWP) to respond to the equitable economic growth challenge in cities.

The JWP on Equitable Economic Growth in Cities (2016-2020) focuses on supporting equitable access to public goods and services by all citizens and formal and informal businesses in cities.

It works with development partners to produce global knowledge, facilitate policy dialogues and support city-level diagnostics and policy recommendations. The goal is to support growth trajectories increasingly characterised by equity, inclusion and environmental sustainability.

The JWP implements its partnership approach through three components that take into consideration the instruments available to local governments; the differing contexts, challenges and priorities of cities; and the globally relevant lessons and knowledge required to support equitable economic growth in cities.

**Component 1: Global Dialogue.** Cities have a direct or indirect role in meeting 65 per cent of the newly adopted Sustainable Development Goal targets (Cities Alliance 2015). This means there is an imminent need for a better global understanding of how to shape cities' growth trajectories to embed equity, inclusion, and environmental sustainability. To fill this gap, the JWP will contribute to structured, global policy dialogues, specifically addressing the role of local public goods and services in stimulating growth and reducing inequalities in cities.

**Component 2: Generating Global Knowledge.** The JWP will identify and address key knowledge gaps by producing peer-reviewed, global knowledge products to inform practitioners and policy-makers at the global, national and local levels. This involves development and review

of existing diagnostic tools, approaches, good practices, knowledge and learning systems to address Equitable Economic Growth in Cities.

**Component 3: The Campaign Cities Initiative.** The JWP will build on local partnerships in select cities in partner countries. Two cities per country will be selected as Campaign Cities, and in each one a JWP Group member will facilitate a 24-month local support initiative with the active involvement of Cities Alliance members and partners. The initiative will support the promotion of equitable access to public goods and services through focus areas adapted to the city's specific needs and context. Each campaign city will produce outputs including an Institutional Enabling Environment Report, a Local Assessment Report, and city-level, evidence-based policy briefs and recommendations.

### About Cities Alliance

Cities Alliance is the global partnership for poverty reduction and promoting the role of cities in sustainable development.

Partnerships are critical to achieving the 2030 Agenda for Sustainable Development. We bring together organisations with different perspectives and expertise on city issues around common goals: well run, productive cities that provide opportunities for all residents. Our members include multilateral development organisations, national governments, local government associations, International NGOs, private sector and foundations, and academia.

The Cities Alliance Secretariat is based in Brussels, and is hosted by the United Nations Office for Project Services (UNOPS).

The JWP is chaired by the Department for International Development (DFID). JWP members are the Commonwealth Local Government Forum (CLGF), Ford Foundation, United Nations Capital Development Fund (UNCDF), UN-Habitat, Women in Informal Employment: Globalizing and Organizing (WIEGO), the World Bank and Clare Short (Chair of the Cities Alliance Management Board).

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