



THE BAD NEWS

The Locus of poverty is shifting to cities

Despite the enormous potential of cities to reduce poverty and to achieve the Millennium Development Goals, recent evidence shows that the wealth generated by cities does not automatically lead to poverty reduction; on the contrary, intra-city inequalities are on the rise, particularly in the cities of Africa and Latin America.

In fact, urbanization in many developing countries, particularly in sub-Saharan Africa, has not been accompanied by economic growth, industrialization or even by development per se. On the contrary, the population of some African cities has grown despite poor economic growth; the region as a whole has the highest urban growth rate in the world, at 4.58 per cent per year. This phenomenon, combined with inequitable distribution of resources and anti-poor policies, has led to rising urban poverty, which impedes the sustainability of cities and impacts their economic viability.

In many parts of the region, high rates of urban population growth, high prevalence of unskilled labour and the HIV/AIDS pandemic are further undermining poverty reduction efforts in cities. Even in Asia's economically successful and rapidly industrializing countries, such as China and India, urban poverty remains a persistent problem as national GDP rates have raised much more quickly than national poverty rates have fallen. The economic growth models used by governments and local authorities have widened not only disparities between rural and urban populations, but also inequalities between high- and low-income populations within cities.

Poverty is already becoming a severe, pervasive and largely unacknowledged feature of urban life. Poverty is shifting to urban areas and growing in magnitude. World Bank estimates indicate that while rural areas are currently home to a majority of the world's poor, by 2035, cities will become the predominant sites of poverty. But in Africa, the proportion of people living in poverty in urban areas (43 per cent) is catching up much faster with the proportion of people living in poverty in rural areas (59 per cent). Sub-Saharan African countries have some of the world's highest levels of urban poverty, extending to more than 50 per cent of the urban population in the poorest countries, including Chad, Niger and Sierra Leone. In other countries – notably Nigeria – urban and rural poverty percentages are almost equal.

In Latin America, the most urbanized region in the developing world, there are more poor people living in cities than in rural areas. In 1999, only 77 million of the region's 211 million poor lived in rural areas, while the remaining 134 million lived in urban areas. Proportionally, however, far more of those living in rural areas than in urban areas were poor: 64 per cent of the rural population lived in poverty, as opposed to 34 per cent of the urban population; levels of deprivation are also more extreme in rural areas than in urban areas. The picture is quite different in the Caribbean countries, where urban poverty levels already exceed rural poverty levels. Relatively low levels of urban poverty exist in countries of Northern Africa and Western Asia, where urban poverty levels are near or below 20 per cent; the highest prevalence of urban poverty in Asia is in India, at 30 per cent.

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