

GLOBALIZATION AND CITIES

I. INTRODUCTION

FEW CITIES REMAIN untouched by the global economy or by the products or operations of the transnational corporations that have such a large role within it. In this sense, globalization is increasingly inclusive. Some nations have acquired much wealthier economies as a result of the much increased scale of international trade and international integration of production that underlie globalization – perhaps most notably China which has one-fifth of the world's people. But it is also producing an increasingly unequal world in terms of the distribution of income, assets and economic power, both within nations and between nations. And, as many papers in this issue describe, large sections of the world are receiving little or no benefits and many lose out. The proponents of globalization often suggest that these are temporary costs and dislocations that are, or will be, outweighed by the benefits, or that they would have been poorer without globalization. One hopes that they are correct.

This growing inequality can also be seen in spatial terms. As the paper by Saskia Sassen describes, the growing cross-border flow of raw materials, goods, information, income and capital (one key characteristic of globalization) helps form new geographies of centrality focused on the cities that are the key sites for its management and servicing. Very few among the world's tens of thousands of cities and towns have such a role.

Globalization has also brought shifts in power from governments to corporations. National governments have been pressed or forced to reduce their roles in regulating or controlling the flows of goods, capital and information flowing across their boundaries. So trade, tariff and investment barriers have been removed. Many government functions have also been privatized. The removal of some trade and tariff barriers around the world's wealthier economies has certainly helped strengthen the economies of some low- and middle-income nations (as production locating

there could get into formerly protected markets). But the governments of the richest nations like to promote free trade only in those areas which suit their economies (or vested interests).

International trade in which international corporations have key roles is hardly new. Nick Robins' paper reminds us of the huge power and influence of the world's first truly transnational corporation – the East India Company – from the eighteenth century onwards. But as various papers in this issue highlight, the current scale, scope and speed of international exchanges is unprecedented. So too is the extent to which it is operated and managed by transnational corporations outside of national governments – “...*the dynamic and often unmediated interactions among global actors that creates a new complexity between policy and practice.*”⁽¹⁾

II. GLOBALIZATION AND CITIES

WHAT DO THESE changes bring for cities – which are, after all, the key centres of production, distribution, services, finance and command and control for the globalizing economy? Certainly, new opportunities – but for how many cities and for whom within these cities? How will globalization affect labour markets (and thus incomes and employment opportunities) in different cities? How will it affect the tens of thousands of smaller urban centres in which a high proportion of the world's urban population live? How will it affect the provision of basic services and the costs of housing (and of the land that housing needs)? How will it affect the capacity of governments to address the needs and priorities of their citizens?

This issue of *Environment&Urbanization* highlights the key but contradictory roles that city governments have regarding globalization. No city government can afford to ignore or actively oppose globalization; to do so is to invite a deterioration in the city's economic base. But most cities have governments that lack the power and

resources to be able to attract foreign direct investment. Or at best, they can do so only by setting up enclaves within their cities (for instance, export processing zones) which have conditions that are atypical of the wider city. But as the papers by Mike Douglass and Herbert Jauch show, heavy investments in export processing zones (EPZs) or other special facilities do not necessarily pay off. Many major cities have invested heavily in hub airports, high-speed trains, large convention centres, sports complexes for global events.... but there are lots of half-empty high-tech parks, world trade centres with no tenants and massive land development schemes with no clear prospects.⁽²⁾ Herbert Jauch's paper describes the heavy investments made by various governments in Africa in EPZs which have produced relatively few (often low-paid) jobs. The benefits they bring to local economies and local populations are limited as they pay low wages, provide little job security and little skill acquisition – and undermine labour laws. The extreme competition between cities and their EPZs for investment means that ever more concessions are offered, which undermines local benefits.

Most city governments also have little capacity to change broader national or regional contexts, which so influence their attractiveness to new investment – as the papers on Windhoek (Namibia), Luanda (Angola) and Leon (Nicaragua) show. The same is true for most national governments within low- and middle-income nations.

Arif Hasan's paper on Karachi also highlights a further point of relevance to all cities – how little is known about the likely impacts on each city of globalization and of the dominant economic logic that accompanies it, which includes downsizing government, deregulation and privatization. We have examples that show the huge potential of globalization to create or transform cities – as in the cities in China and various other "Asian tigers" that have attracted large amounts of foreign investment. But globalization (and the measures taken to promote it) also has a huge potential to undermine the economic base of cities and remove the income sources for large sections of its population. Most of the documentation to date on cities and globalization has been on the cities that have had their economic bases greatly enhanced by globalization. This issue of *Environment&Urbanization* includes many case studies of cities where the benefits of globalization are less obvious or are even absent – although the papers

in this issue are still concentrating on the first or second largest city within each nation.

III. GROWTH WITH LITTLE REDISTRIBUTION

TWO OF THE most serious problems posed by an increasingly integrated world economy were identified many decades ago. The first is the large proportion of the world's population that receive no benefits (or lose out); each paper in this issue illustrates in different ways the comment by Manuel Castells, quoted by Jo Beall in her paper in this issue that "...globalization proceeds selectively, including and excluding segments of economies and societies in and out of the network of information, wealth and power that characterizes the new dominant system."⁽³⁾

The global economy does not need large numbers of the world's citizens as its workforce. It is much more interested in them as "consumers", and so seeks to keep production costs to a minimum. Of course, if people's labour is not needed, then they cannot earn the incomes that make them consumers. Whilst the benefits of globalization are much more evident on the "supply" side – with potentially a cheaper and wider range of goods and services – the problems are more apparent on the "demand side", which requires higher and more stable incomes. The British Minister for Development, Clare Short, emphasizes that we must make globalization work for the poor, but what are mechanisms and institutions that can help us do this? At present, many of the poor only have a role as consumers, or as a low-paid workforce in employment that is often insecure.

Thus, the second problem with globalization is the lack of compensatory mechanisms for redistribution at a global level – to help strengthen the economies in the poorer areas and to provide safety nets for the population who lose out. The world economy may be increasingly interconnected, but it has neither the mechanisms for redistribution and social protection that exist within nation states nor the political system through which these mechanisms were fashioned and were accountable to all citizens. Whilst it might be argued that the need for global redistributive mechanisms was evident from the late 1940s, globalization increases the need because of its social and spatial selectivity and the heightened vulnerability of low-income economies to rapid

international financial flows.

Many of the proponents of globalization suggest that political measures are not necessary as the benefits of the expanding, globalizing world economy will “trickle down” to those people and places that currently do not benefit. But there is not much evidence that this is happening in large sections of world. The limits of a “go for economic growth and rely on trickle-down to spread the benefits” approach within national economies became well known and documented from the late 1960s onwards – yet there are far more mechanisms within nation-states than there are globally that can spread the benefits of economic growth.

Rapid economic growth within nation-states has often produced similar differential impacts to “globalization” (albeit on a more localized scale), with economic growth concentrated in certain areas, rapid changes in which localities, cities and regions benefit, growing income inequality and, for many, a loss of income or livelihoods. But in all the nations that have sustained economic growth over long periods (and which as a result now have high average incomes), there were political and social pressures that sought to ensure that the social and spatial selectivity of the benefits were moderated by the policies of their elected governments. These governments have been under pressure to provide universal and/or means-tested services that were often accompanied by safety nets and redistributive measures that included:

- **universal provision of basic infrastructure** (piped water, sanitation, drainage) to virtually all homes **and basic services** (health care, emergency services, garbage collection....);
- **universal access to primary and secondary education and widening provision for tertiary education** – through provision for schools and higher education institutions and special measures to support retraining and reskilling to allow those whose skills were no longer needed to get back into the labour force;
- **safety nets** that ensured basic incomes for the unemployed and those unable to work (and usually special measures to provide shelter to those unable to afford to it and to help low income families with children);
- **protection for the labour force** against exploitative wages and dangerous working conditions;
- **measures to support economic growth or regeneration in the poorer areas** (including investment in the transport and communications infrastructure that encourages this).

In addition, within these nations, all citizens

were free to move from poorer to richer areas and some governments actively supported such moves (although there may have been discrimination by language or ethnic group). Although the extent of government commitment to the above measures varies, as does the priority they assign them (and their effectiveness in reaching the poorest groups), virtually all governments in high-income nations accept that between 20 and 40 per cent of national income should go to such redistributive mechanisms. It is also recognized that they are essential to strong, robust economies and without them, economic growth would have been much reduced.

Globalization and the reforms that support it are producing a world economy that is similar to a national economy in terms of free movement of capital, income and goods. But it is not producing comparable mechanisms for redistribution and social protection and there is no “democratic global government” that can implement these. At a global level, there is still critical under-provision of basic infrastructure, services and education. Most people in low- and middle income nations have no safety nets if they lose their jobs or fall ill and little protection against dangerous working practices and inadequate wages. And immigration controls severely limit the possibilities of poorer groups moving abroad to areas where there are more economic opportunities.

Aid programmes might be considered the most important international redistributive mechanism but aid flows are minute relative to the scale of the redistributive mechanisms within high income nations. Less than 0.4 per cent of global GNP goes to fund aid – compared to the 20-40 per cent of GNP used in high-income nations to fund redistributive measures. Much aid is too rooted in the commercial or foreign policy interests of its donors to be judged as redistributive. In addition, donor agencies have been reluctant to give a high priority to the infrastructure and services that were such important redistributive mechanism within their own economies – universal provision for water, sanitation, drainage, health care, schools and emergency services.

The need for financial “sustainability” has become the development mantra among most international agencies – yet, as the paper by Diana Mitlin suggests, the only real process that all those within the development business should be seeking to sustain is one by which poverty is reduced. This is the goal, not financial sustainability. Poverty reduction can and should use market

mechanisms where appropriate because they can free those served by them from dependence on external funds and institutions. But it is unlikely that the needs of the poorest citizens will be adequately met by enterprises whose primary purpose is profit-making.

Not surprisingly, there are calls for high-income nations to increase their aid budgets – but what is more worrying is the limited evidence to show that aid agencies are able to manage an increased aid budget in ways that benefit low-income nations and low-income groups within them. The need for global redistributive mechanisms may be self evident but the institutional framework for redistribution that benefits low income groups (and strengthens their capacity and asset base) – is lacking.

IV. A GLOBAL ECONOMY BUT NO GLOBAL CITIZENSHIP

ONE KEY FACTOR underpinning redistribution within high-income countries is that all citizens have a vote (although in some, redistributive measures began before universal suffrage). There is no comparable voter pressure on international agencies as the billions of people that have had little or no benefit from globalization have no vote or voice within them. Official aid agencies and development banks are held to account by the high-income governments that fund them and, through these, are accountable to their citizens; not so citizens of low- or middle-income countries.

There are also critical issues of accountability with regard to the relationship between citizens and the private sector. In practice, companies and corporations often ignore national and local laws and regulations on occupational health and safety, and on waste management and pollution control, where laws are weak or governments are weak or corrupt. In addition, workers fearful of losing jobs are less likely to question dangerous or otherwise exploitative working practices.

Multinationals have the added advantage of being able to shift funds across national borders and avoid liability – as described in the paper by Barbara Dinham and Satinath Sarangi on the evasion of corporate responsibility by Union Carbide for the Bhopal gas tragedy. Here was a catastrophic industrial accident that caused the death of over 20,000 people and, nearly two decades after the event, there are still 120,000 chronically sick survivors. Perhaps it is unfair to

point to such an extreme case (thankfully there have been very few examples of such catastrophic industrial accidents); perhaps in general, plants operated by transnational corporations do have safety standards higher than those operated by local firms. But multinationals do not necessarily have universal standards within their plants; the plant in Bhopal did not have the safety standards of a similar Union Carbide plant in France. But the case study's importance and relevance is perhaps less in the impact of the accident than in the company's response. This large, powerful, wealthy corporation has done everything in its power to limit its liability, to shirk its local responsibilities, to place blame elsewhere. The corporation's executives and legal advisors no doubt felt that their responsibilities were to the company and its shareholders; their actions had an economic logic even if they were morally and ethically indefensible. It is also difficult to believe that the cost of showing generosity and compassion to those affected by this tragedy would have been unaffordable by Union Carbide.

V. SPATIAL AND SOCIAL SELECTIVITY

GLOBALIZATION'S "SOCIAL AND spatial selectivity" can be seen on three geographic scales:

Internationally: most low-income and many middle-income nations have little prospect of attracting foreign direct investment. As the paper by Paul Jenkins, Paul Robson and Allan Cain notes, the spatial and social selectivity of inward investment for sub-Saharan Africa is concentrated in areas of exploration and extraction of minerals (especially oil), yet most of the population rely on agriculture and world prices for agricultural commodities have steadily declined. Meanwhile, the opening up to the world economy has destroyed many local industries that previously provided livelihoods for large sections of the urban population. The paper on Luanda points to the collapse of most local production because of imports – even artisanal brush-making, which requires little capital and few available materials, cannot compete with plastic brushes imported by the container load. As Mike Douglass points out, most cities do not have the wherewithal to engage seriously in global competition for investment and are too far from major trunk transportation to attract it

Within nations: in most cases, global investment and enterprises are concentrated in one of two cities. Saskia Sassen describes the key role of a limited number of large cities – even as corporate production systems become more dispersed – in command and control functions, in access to vital information, in brokering deals and in organizing cross-border mergers and alliances.

Within cities: certain areas within cities concentrate the enterprises serving global markets (company headquarters and the producer services they use, international tourism), and the homes, shopping centres and recreational facilities of higher-income groups while other areas are bypassed, with declining employment and decaying infrastructure as described for Buenos Aires by Pedro Pirez, for Johannesburg by Jo Beall and for Karachi by Arif Hasan. This produces new geographies of inclusion and exclusion, where the central business district is no longer dominant – although the actual form that the spatial realignments take are particular to each city and its wider region.

The papers in this issue concentrate mainly on selectivity within nations and within cities. They include some cities with key roles in the global economy (Mumbai and various cities in Pacific Asia), some which have been much influenced by globalization and which are struggling to attract (although they are not necessarily becoming sites for) TNC investment (Buenos Aires, Johannesburg, Windhoek), and some which are completely outside it (Luanda, Leon).

The paper by Pedro Pirez describes how, in Buenos Aires, in the absence of democratic decision-making at the metropolitan level, the city is reshaped and reconstructed by market forces dominated by powerful economic actors, including developers and the private companies that now control privatized “public services”. The city develops in response to private demands and the only true planning occurs within large private developments that serve those able to afford them – including the growing number of people who now live in gated communities. There is growing fragmentation in terms of the quality of housing, infrastructure and services and growing institutional fragmentation as each municipality competes with each other

The paper on Luanda (Angola) speculates about the benefits globalization will bring to Luanda. Most of its 3.4 million inhabitants receive little benefit from the nation’s oil and diamond exports, and many have had their livelihoods

eroded by cheap imports and the contraction of the state. Most inhabitants live in informally-constructed settlements which lack basic infrastructure and services. External forces have always shaped the city’s economy but hardly in ways that serve its citizens. As the paper notes, it is easier to send a letter from Luanda to Paris or Houston than to a nearby town. The key globalization issue for Luanda is not how to ensure a more effective trickle down of the benefits from export-led growth but how more people can be productively engaged in the development process.

VI. MEASURES THAT AFFECT SPATIAL AND SOCIAL SELECTIVITY WITHIN CITIES

IN ALL CITIES, there are formal and informal measures that moderate social and spatial inequalities. Arif Hasan’s paper on Karachi reminds us of the importance of the informal economy, not only in providing livelihoods and cheap goods but also in meeting the physical and social infrastructure needs of much of the low- and lower-income population – through informal enterprises providing water, sanitation, schools, health care and entertainment. But his paper questions what globalization is likely to do to these informal mechanisms. A key redistributive mechanism in Karachi (as in so many other cities) is that many low-income households can obtain land relatively cheaply. In the case of Karachi, this is largely because most land is government owned and government officials allowed middlemen to act as informal brokers and land developers. This does not mean that poorer groups obtained good quality, well-located land, nor that land was free – but at least they got land for their homes. In many other cities, large sections of the low-income population have also obtained land for housing through non-market means – usually through government tolerance of illegal occupation of less valuable public land. This is a tacit recognition that these groups had rights to a home (and the land they needed) that was independent of their purchasing power. It was also a recognition of their importance to the city economy and their capacity to vote. What will happen to low-income groups’ access to housing in cities where there is less public sector land for them to occupy, and where land allocation is increasingly through market mechanisms?

Another common informal redistributive mechanism has been the blind eye public utilities turn to the illegal connections of low-income households – for instance to piped water or electricity systems. Again, this is not an ideal system, not least because of the leaks created by illegal connections to water pipes, the dangerous wiring from illegal electrical connections and the drain on the public companies from lack of payment. Privatized utilities are not likely to tolerate such informal redistributive mechanisms – although they may be prepared to extend services to people who were excluded by public utilities because their settlement was illegal or unofficial. In addition, many public utilities only turned a blind eye to illegal connections because their staff were bribed to do so. The hope is that privatized utilities will produce a more efficient service and offer low-income households good quality piped water, sanitation and electricity at prices they can afford. But, to date, there is not much evidence for this, at least in terms of provision for water, sanitation and garbage collection.⁽⁴⁾ The paper by Pedro Pirez points to the changes in utility charges in Buenos Aires, which have been in favour of large consumers and with higher prices for small consumers.

In better-managed cities, there are formal redistributive mechanisms that are of great importance to large sections of the population – the almost universal provision of piped water and sewers (for instance in Porto Alegre);⁽⁵⁾ good quality primary health care systems and supporting structures (for instance in Cebu);⁽⁶⁾ systems of primary and secondary schools to which virtually all citizens have access; the rule of law which serves and protects low-income groups (as workers, consumers and citizens) as well as higher-income groups; and inclusive political structures. All have key redistributive roles when set up and funded by local governments. All have importance for cities that can attract and keep foreign investment; as several papers stress, much foreign investment is influenced by the livability of cities.⁽⁷⁾

The paper by Sundar Burra, Celine d’Cruz and Sheela Patel on “people-managed resettlement” in Mumbai is an example of how urban poor groups negotiated and developed a resettlement programme that did not impoverish them, with support from local NGOs. This is unusual since resettlement programmes involving low-income groups usually end up impoverishing them. It has particular relevance for all successful cities, where

rising land prices usually result in the eviction of poorer groups from central or otherwise well-located areas. It is particularly surprising that this was possible in Mumbai, with its successful economy, high land prices and limited availability of unbuilt land. As the paper describes, some population displacement is inevitable in any city where the government seeks to improve the provision of infrastructure and services for its populations and enterprises; in crowded central city areas, almost any improvement in provision for water, sanitation, drainage, roads, railways, ports, airports and facilities for businesses needs land on which people currently have homes. In this instance, the Indian Railways needed to move people who had built homes adjacent to the railway tracks in order to increase the railways’ capacity, speed and frequency. But the resettlement of some 60,000 people was underpinned by strong levels of community organization among the population that was to be relocated. This included their involvement in preparing the base line survey of households to be moved and in managing the relocation process, including the allocation of units. In this instance, protection for low-income groups came from a combination of their capacity to organize in a representative organization; their capacity to negotiate with the authorities and to show viable alternatives (i.e. other ways of organizing the resettlement that did not increase costs); democracy, which kept in check more repressive solutions; and key public officials who recognized the viability of the alternative approach and supported it. The importance of democracy and organized low income groups is also highlighted in the paper by Seong-Kyu Ha in Feedback as a way of countering the scale of evictions that had previously displaced millions of low-income people in Seoul.

Although some processes moderate social and spatial selectivity, others serve to enhance it – as illustrated in the paper on Buenos Aires where the development of rich enclaves has made it possible for the wealthy to avoid contributing to the costs of services in the wider city. Other processes with a similar power to exclude are the increasing commercialization of the land market in cities which attract foreign investments and the increasing orientation of public infrastructure investments to the private sector.⁽⁸⁾ Without effective city governments that respond adequately to the needs of those with the least income, and without effective redistributive measures, globalization can undermine urban livability.

VII. THE VULNERABILITY OF CITIES

MUCH OF THE previous discussion concerns the vulnerability of poor urban populations to the changes brought about by globalization. But there is also the extreme vulnerability of the economic bases of many cities due to hyper-mobile capital. As Mike Douglass points out, for the cities in Pacific Asia, economic crises have become more common as greater concentrations of economic power are accompanied by greater local turbulence because of "vagabond" capital that rapidly shifts from one location or sector to another, seeking the highest returns. Again, governments have less power as so much trade consists of flows of resources, goods and services within very large corporate networks. The scale of the inter-connectivity of the world economy is also illustrated by the effects of the "dot.com" collapse in Europe and North America on the electronic components industries in Asia.

VIII. AN UNFAIR PLAYING FIELD; MONOPOLIES AND UNFAIR PRACTICES?

AS TRANSNATIONAL CORPORATIONS become increasingly powerful (and national governments less so), their capacity to leverage subsidies and other benefits under the guise of choosing the best location has also grown. In extreme cases, the huge costs borne by local government can negate the benefits in terms of employment and spin-offs from new investment.

Transnational corporations also have little restriction on their capacities to form monopolies or engage in unfair practices. Growing numbers of mergers and acquisitions tend to reduce global employment, reduce competition and allow corporations to gain greater leverage over the whole supply chain – and may focus on profits from short-term investment rather than long term contributions to production.⁽⁹⁾

The proponents of globalization stress the benefits that private capital will bring with its investments, know-how and technology transfers. But without strong democratic government structures in each locality, how will local citizens' interests be represented and the "public good" protected? There are also legitimate worries about the power of transnational corporations to prevent measures needed to limit the increasing strains put on global

life support systems – for instance, to limit greenhouse gas emissions.

IX. CONCLUSIONS

WHAT ARE THE institutions and processes that can limit globalization's most detrimental impacts and protect those who lose out? The papers in this issue suggest that globalization would be more supportive of and less damaging to poverty reduction processes if there were competent, effective, representative local governments everywhere that could represent their citizens in moderating the negative impacts of globalization. This includes local authorities able to respond to the needs and priorities of low-income groups, as in the example of the community-managed resettlements programme in Mumbai (Bombay). The papers also suggest the need for redistributive mechanisms at the national and global levels that support local authorities and representative organizations of the urban poor in helping to limit globalization's social and spatial selectivity.

The need for democratic institutions in each city and city district that are accountable to their citizens with the power to get a better deal for its citizens within a globalizing world. This includes the need to determine and then defend local priorities. It includes the power to protect "the public good" and to ensure universal provision of basic infrastructure and services; also to ensure benefits for low-income groups as well as attracting new investment. Or, to put it another way, the need for good governance in each locality. This point may seem unrealistic given the fact that most city governments lack capacity and resources while many are not democratic. Perhaps more worryingly, there are also many democratically elected city governments who do not act in the interests of their lower-income citizen's interests.

The need for national frameworks to support this. As previous issues of *Environment&Urbanization* have helped to document, there has been considerable municipal innovation in some countries where national frameworks have supported decentralization and democratic local governments.⁽¹⁰⁾ As the paper by Françoise Barten, René Perez Montiel, Eduardo Espinoza and Carlos Morales Carbonell points out, it is very difficult to have effective, democratic local governance if the national framework is an aggressive policy to reduce the size of the state, contain social costs and provide macro-economic stability. And as this

paper illustrates in its discussion of health policy in Leon (Nicaragua), there are obvious tensions between actions promoted by municipal governments searching for alternative solutions to respond to their population's needs and economic reforms supposedly necessary for a country's reintegration into the global economy.

The need for international frameworks to support this. This includes a much greater priority by international agencies for supporting good local governance that, in turn, can implement the redistributive measures noted above, including universal provision of basic infrastructure and services, more inclusive and better quality education, the rule of law that protects all citizens, and safety nets for those unable to work or to find income sources. Many international agencies forget that it is largely through local institutions that these will be improved. A key part of the new international framework is also to channel funding directly to community organizations through local funds or local institutions, especially where local governments are too ineffective or corrupt to act in the interests of low-income groups (see the paper in this issue on "Local funds, and their potential to allow donor agencies to support community development and poverty reduction"). But a commitment by international donors to support good local government is easier made than implemented. Most national governments do not want foreign agencies to be involved in such intensely political issues as the distribution of power and resources between local and national governments.⁽¹¹⁾

To place some checks on the power of transnational corporations and mobile capital, in recognition of the huge benefits they receive from less regulation and fewer trade barriers and the costs that this can bring for many others. It may sound unrealistic and naive to suggest this – but there is a need to ensure that international companies do meet certain minimum standards – for instance in terms of minimum wages, labour practices, health and safety in the workplace, pollution control and waste management, and liability for accidents and injuries – and to demand that these are also met by the companies that they sub-contract. This is not a demand for minimum wages, set at levels which undermine the capacity of low-income nations to attract foreign investment but, rather, set at levels that allow their workers to meet their needs.⁽¹²⁾ Of course, it should be the responsibility of national and local governments to ensure these are met – but this is hardly a solution when many multinational corporations deliberately invest in

nations or cities where national or local governments do not do so – or they use their bargaining powers to ensure exemptions. Perhaps there is also a need to set limits on the subsidies, tax holidays and free land and infrastructure that multinational companies can demand of national or local governments.

The need for more measures and mechanisms by which democratic local governments can collaborate rather than compete. Can the growing number of intercity organizations and events begin to allow representatives of democratic local governments to develop a policy voice in the international arena?⁽¹³⁾ Can they provide the means through which representatives from democratic local governments learn from each other and develop a legitimate influence in international discussions and policies? If there is a growing recognition of the importance of good local governance – for managing globalization, for meeting international targets for poverty reduction. What role should elected representatives of local authorities and local federations of urban poor groups have within international organizations?

Many of the above points are not so much about globalization as about more effective development. The need for good local governance was recognized decades ago. As Jo Beall notes, the exclusionary processes associated with global trends and pressures graft themselves onto existing dynamics of social exclusion that play themselves out locally within each city.

X. AFTERWORD

THIS EDITORIAL HAS managed to avoid mentioning the key role of the Internet and the worldwide web in globalization. Certainly, it has had a key role in supporting the journal that you are currently reading. It has helped its capacity to be global; most papers submitted to this journal are sent over the Internet and most communications with these papers' authors is over the Internet. Virtually all processes by which papers are refereed, translated (where necessary), copy edited, returned to authors for checking, typeset and sent to the printers are done over the Internet; most authors, referees and translators are not based in the UK. We no longer have to send any paper to our wonderfully competent and reliable printers, Russell Press, which is based 120 miles from our office – only the computer files sent over the Internet. The Internet has not fundamentally changed the way the journal is put together but it

has made the whole process much easier, quicker and cheaper. It has cut the time between when a paper is submitted and when it is published; it has also allowed us to insert last minute changes from authors. In this issue, for instance, a sentence on the March ceasefire in Angola was added in the week we went to press. The Internet has also allowed us to put the full text of the last ten issues of the journal on the worldwide web, so a growing proportion of our readers never actually see the printed version of the journal.

But is there a downside? Perhaps it discourages authors who are not connected to the Internet (although we certainly welcome papers submitted by post). Perhaps it is more difficult for those writers who cannot access journals and other sources over the Internet to be published? More to the point, perhaps, it might reinforce *Environment&Urbanization's* advantage over potential competitors from the South? Does this inhibit the kind of local debate and discussion about urban issues that is so important in each city and that should be rooted in the particulars of that city?

Then what role could the Internet have for some rebalancing of power between cities and global actors? Would it help city governments and citizen groups to have a shared database, accessible through the web, to inform them of the performance of multinationals in other locations? What of audits of multinationals' performance, including the extent to which they are committed to investing in local processes? Or pressure for them to make explicit commitments to responsible performance?

XI. FEEDBACK

FIVE PAPERS CONTRIBUTE to the themes of previous issues. The paper by Debra Roberts and Nicci Diederichs describes both the achievements and the limitations of Durban's Local Agenda 21 programme; it also draws on the authors' experience working within this programme to highlight what other cities can learn from their experience.

The paper by C S Molyneux, V Mung'ala-Odera, T Harpham and R W Snow provides a detailed example of the range and diversity of rural-urban linkages and documents the perceptions of a sample of rural and urban mothers of the advantages and disadvantages of rural and urban life. It also points out the familiarity of most rural-to-urban migrants with urban environments before they move and the strong rural ties they

maintain. The way households are split across rural and urban areas is influenced by intra-household relations and by household efforts to balance the income-earning opportunities in town, the relatively low cost of living in rural areas and future family security. The paper stresses the need for policy makers and planners to recognize the diversity of arrangements and to build upon the complex livelihood strategies that span the rural-urban divide.

The paper by Katharine Coit discusses the many institutional, political and other constraints to environmental health receiving the priority it deserves in terms of its contribution to poverty. This is illustrated by a case study on the ineffectiveness of government action to control cholera in Madagascar.

The paper by Sylvy Jaglin raises some serious questions about the extent to which recent reforms of the water sector in sub-Saharan Africa are likely to improve conditions for low-income urban dwellers. It notes how much "participation" is transferring costs from private water companies to low-income groups and how many "participatory" schemes have failed to serve low income groups.

The paper by Seong-Kyu Ha describes the important role that South Korean NGOs have had in social and political changes within the nation, including better conditions for low-income groups, stopping evictions and supporting the move to democracy. It also considers what lessons have been learnt regarding making local NGOs more effective and more accountable to low-income groups.

NOTES AND REFERENCES

1. See the paper by Willem van Vliet in this issue.
2. See the paper by Mike Douglass in this issue.
3. Castells, Manuel (1998), *The End of the Millennium*, Blackwells, Oxford, page 162.
4. See, for instance, the paper by Sylvy Jaglin in this issue on "The right to water versus cost recovery: participation, urban water supply and the poor in sub-Saharan Africa"; also Loftus, Alexander J and David A McDonald (2001), "Of liquid dreams: a political ecology of water privatization in Buenos Aires", *Environment&Urbanization Vol 13, No 2, pages 179-199*.
5. Menegat, Rualdo (main coordinator) (1998), *Atlas Ambiental de Porto Alegre*, Universidade Federal do Rio Grande do Sul, Prefeitura Municipal de Porto Alegre and Instituto Nacional de

IN MEMORY OF ANIL AGARWAL

"After decolonization and national sovereignty, the key political issues of the twentieth century, will community sovereignty become the biggest political issue of the twenty-first?"
Down To Earth, May 30, 1993.

"The poor don't need 'development'. They need 'respect'. After respect they need empowerment." Keynote speech delivered at the NGO Forum, World Summit for Social Development, Copenhagen, 1995.

Anil Agarwal, the outstanding environment and development specialist, died on January 2, 2002, after a seven-year battle with cancer. Both through his own work and through that of the Centre for Science and Environment (which he founded in 1982), he was one of the world's foremost champions of "environment and development", of combining a commitment to development, social justice and rights for the poor with a commitment to environmental integrity. His knowledge and work encompassed all scales, from the most local of concerns (the needs and priorities of low income women in their homes, villages or squatter settlements) to the most global. His knowledge of the environment was rooted in an understanding of its importance for meeting the daily needs of low-income groups and he was one of the first to document the tremendous capacities of community organizations to use and manage it well. He and his Centre set so many new standards. Their first *State of India's Environment: a Citizens Report* in 1982 inspired many other national reports – yet this and the subsequent editions (including the 1999 two-volume edition) still remain among the best of all national assessments. Their fortnightly journal *Down to Earth* remains the essential journal for keeping in touch with environment and development concerns in Asia (and elsewhere). Their documentation of global environmental negotiations (for instance in the two seminal volumes, *Green Politics* in 1999 and *Poles Apart* in 2001) not only keep all those interested in these negotiations informed but also point to their weaknesses and inadequacies. A visit to the Centre for Science and Environment's web page is also a reminder of the breadth and depth of its work (see below).

But remembering Anil only by his work is to miss what a very special person he was. He was a very good friend to this journal, *Environment&Urbanization*, to which he contributed papers and advice. Meetings with him – whether in New Delhi or in London – were always inspiring and full of humour. He also greatly enriched our lives when he spent two years at IIED in the late 1970s, helping to develop the Institute's media information unit, Earthscan.

For more details about the Centre for Science and Environment, see: www.cseindia.org/html/. For more details about Anil, see: www.cseindia.org/html/au/anilji/abouthim_profile.htm

Pesquisas Espaciais, Porto Alegre, 228 pages.

6. Etemadi, Felisa U (2000), "Civil society participation in city governance in Cebu City", *Environment&Urbanization* Vol 12, No 1, pages 57-72.

7. See, in particular, the papers by Mike Douglass and Willem van Vliet.

8. Benjamin, Solomon (2000), "Governance, economic settings and poverty in Bangalore", *Environment&Urbanization* Vol 12, No 1, pages 35-56.

9. See the paper by Mike Douglass.

10. See for instance Velasquez, Luz Stella (1998), "Agenda 21; a form of joint environmental management in Manizales, Colombia", *Environment and Urbanization*, Vol 10, No 2, pages 9-36; Miranda, Liliana and Michaela Hordijk (1998), "Let us build cities for life: the National Campaign of Local Agenda 21s in Peru", *Environment and Urbanization*, Vol 10, No 2, October, pages 69-102.

11. Cohen, Michael (2001), "Urban assistance and

the material world; learning by doing at the World Bank", *Environment and Urbanization*, Vol 13 No 1, pages 37-60.

12. National income-based poverty lines are often not useful for determining appropriate minimum wage-levels in major cities as they make such inadequate allowance for the cost of meeting non food needs (including rent, transport, keeping children at school, health care, clothes and access to water and sanitation).

13. See the paper by Mike Douglass.

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