

URBANIZATION AND INEQUALITY IN LATIN AMERICA

By Dr Ramiro Segura*

A RECENT WORLD BANK report notes that Latin America is the only region where income inequality declined during the last decade. This significant and hopeful finding cannot hide, however, a complex situation: Latin America is the most urbanized and most unequal continent in the world. Against this backdrop, this article seeks to reflect on the links between urbanism and inequality in times of globalization, looking at the evolution of some major Latin American cities in the last two decades. I will underscore the need for regulation of land use as a policy aimed at reducing inequality.

On the one hand, in the last decade many countries in the region have implemented policies that succeeded in reducing income inequality. On the other, simultaneously, there continued the expansion of fragmented in the metropolitan areas that increases inequalities in access to the city and its services. In this context, I will point out that we must to think about the place of urban space and urban policy in the Latin American States' commitment to reducing inequality in the region.

This paper argues that the challenge for the political processes in the region towards a reduction of social inequalities is to intervene not only in income distribution, but in urban settings through regulations of land uses, equal distribution of goods and services, and equal opportunities of accessibility and mobility in the city.

GLOBALIZATION AND INEQUALITY IN THE LATIN AMERICAN CITY

Social theory has widely discussed the relationship between globalization and urban inequalities, specifically in the form of the *duality* of social



structure, which underscores the growing gap between high and low wages in metropolitan areas that become nodes on the global network structure. Either with the concept of “world city”¹ or “global city”², the theory predicts a strong link between global interconnections and urban and social inequalities.

These issues are particularly relevant in the case of Latin American cities, some of which enter (in secondary or tertiary positions) in the hierarchy of global cities. As a matter of fact, during the last decades of the twentieth century, in the context of the passage from the model of import substitution industrialization to neoliberalism inequality worsened in major Latin American cities.

A comparative research between the cities of Buenos Aires, Lima, Mexico City, Sao Paulo, Santiago de Chile, and Rio de Janeiro³ found that between 1980 and 2000 in the six cities the informal employment increased, as well as the inequality (except Lima) and poverty (with the exception of Santiago). The same increase could be noted in regards to crime incidence and feeling of insecurity.

Given this evidence, there remains a question: to what extent inequality in Latin American cities is the result of the processes described in the theories of the “global city” and “globalization”⁴? In this sense, Roberts⁵ noted that while some urban changes can be predicted with global city models⁶, more relevant to the rise of urban inequalities were the reduction in communication costs, the opening of economies to free trade, free movement of capital and reduction of state intervention in the economy, “even when they do not increase the functional specialization and interdependence” (2005: 111). In short, the effects of neoliberalism “implemented under the close direction and influence of global institutions such as the World Bank and International Monetary Fund” (Portes and Roberts, 2005: 21)⁷ are closely linked to inequalities in contemporary Latin American cities.

METROPOLITANIZATION AND FRAGMENTATION OF THE LATIN AMERICAN CITY

In the 1970s, researchers described “the Latin American city” as the city whose main features were urban primacy, informality and social polarization of urban space.⁸ This kind of city was the result of several interrelated processes: economic policy oriented towards the domestic market, massive internal migration, rapid urbanization concentrated in one or two cities, growth of an “informal” working class outside the modern sector of the economy, resulting from imbalance between industrialization and internal migration, and expansion of housing in slums and “illegal” settlements in the peripheries.

At present, although it is not easy to describe the transformation of large Latin American cities in recent decades and there is no consensus among the interpretations of such processes, there is a shared diagnosis: large Latin American cities were transformed significantly in recent decades. Globalization, privatization and neoliberal deregulation allowed investors, planners and citizens greater freedoms, and their impact can be seen in the urban structure.⁹ In terms of Borsdorf¹⁰ the focus of spatial structure of Latin American cities shifted from spatial polarization (characteristic of the industrial city) to spatial fragmentation. This is a new form of segregation of functions and socio-spatial elements, not on a wide scale like spatial polarization (rich-poor divides, residential areas vs industrial areas), but on a small scale. The geographic scale of segregation changed due to new urban developments such as the free-space distribution of industrial areas, the location of shopping centers throughout the city, oriented to highways and airports, and the presence of gated communities around the city limits.

While large scale can highlight a greater social mixing process than the traditional center-periphery pattern, micro level reinforces the segregation pattern¹¹, possible through walls and



fences, barriers separating islands of wealth and islands of poverty.¹²

Thus with the gradual blurring of the center-periphery configuration resulting from the expansion of new urban forms and urban highways, gated communities for middle and upper classes in the periphery, hypermarkets, malls and urban entertainment centers in all urban space, suburbanization of industrial production and the increasing isolation of lower-class neighborhoods consolidates a conurbation that can be characterized by broad, diffuse, discontinuous, polycentric and regional dimension.¹³

Therefore, residential segregation and urban fragmentation in recent decades¹⁴ are articulated with a progressive segmentation of the labor market and the education system, which are key to the (re) production and deepening social inequality. Some of its effects are, the increase in the isolation as well as the restriction of the networks of the urban poor and also reduced opportunities in low-income residential areas.

INEQUALITY, SEGREGATION AND URBAN POLICY

The relationship between inequality and segregation are complex, one cannot assume an automatic correlation between inequality and segregation. In fact, at present, due to the conjunction between the persistence of neoliberal policies and unregulated urban land use and the efforts of the governments to implement policies of redistribution of wealth, we have a paradoxical scenario in Latin America. On the one hand, fragmented metropolitan structures with segregated social networks affect the reproduction of social inequalities. The consolidation of homogeneous spaces and segmented urban circuits reduces social mobility alternatives. On the other hand, public policies implemented in most Latin American countries in the last decade have reduced income inequality. In this sense, the aforementioned World Bank

report¹⁵ notes that out of the 17 Latin American countries for which comparable data is available, 13 experienced a decline in inequality in terms of the Gini coefficient, which decreased from 0.530 average at the end of 1990 to 0.497 in 2010. According to the report this reduction in income inequality is due to two reasons: the fall in the earnings gap between skilled and unskilled workers, and increased transfers of money from the state to the poor. Thus, while the recent urban transformations persists or even deepens segregation and urban fragmentation, the implementation of public policies have reduced income inequality (although the gap remains wide).

We must understand that the urban structure is not only a product of social processes, but also a key factor in their (re) production, expansion or

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reduction of inequalities. If, as we said, inequality and segregation are not related mechanically or reflected, we cannot say that the urban structure is a natural and inevitable product of social processes. By contrast, a fragmented metropolitan area is the product of human action, mainly real estate and urban planning.¹⁶ It becomes imperative, then, to regulate land use¹⁷ and to design policies that will create more equitable distribution of goods and urban services.¹⁸ The task is not easy at all, especially considering the place of investment and real estate speculation on the expansion of urban space (not caused by migratory pressure) and the reactivation of the economy and employment in Latin America societies. But smart public policy-regulating land use and investing in access to the city-is strongly needed to intervene in the continent's inequalities.



NOTES:

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