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Urban inequality and poverty in the Global South

by George Owusu and Charlotte Wrigley-Asante

Introduction

Although addressing inequality and poverty has attracted both national and international attention for decades, the last two 20 years have witnessed renewed efforts in this direction. This is reflected in the Millennium Development Goals (MDGs), 2000-2015, and the Sustainable Development Goals (SDGs), 2015-2030. The renewed efforts have coincided with a rapid rate of urbanization in the Global South, which has been described as unprecedented¹. However, Global South cities are unprepared for the large population influx, and as such are unable to meet the demands of their residents in terms of the provision of services, infrastructure, housing, jobs etc.

Indeed, inequality and poverty in urban areas of the Global South are not only the outcomes of access and physical proximity to services, infrastructure and jobs. They are also linked to the development over time of distinct areas of urban deprivation, which undermines the benefits of physical proximity that urban residence may offer². Consequently, the physical and social manifestations of inequality and poverty in cities, including under-serviced urban neighbourhood, sprawl and the emergence of slums and other

¹ D. Satterthwaite and D. Mitlin, *Reducing Urban Poverty in the Global South*, London-New York, Routledge, 2014; U. Grant, *Spatial Inequality and Urban Poverty Traps*, ODI Working Paper 326, London, ODI, 2010.

² U. Grant, *Spatial Inequality and Urban Poverty Traps*, cit.

informal settlements have become common features of cities of the Global South³. Despite this characterization, population influx to these cities has not slowed down, as they are largely seen as offering better livelihood opportunities compared to rural areas.

It is important to stress that migrants to cities in the Global South, especially Sub-saharan Africa, are predominantly young people and this inevitably contributes to high rates of natural increases in urban centres⁴. This large of pool of young people, made up of largely uneducated and unskilled youth in cities, is coterminous with high levels of unemployment⁵, a major contributory factor to urban inequality and poverty.

At the core of the challenge of urban inequality and poverty are the poor governance frameworks of city planning and management⁶. This is reflected in access to basic services and infrastructure, where many fall on the informal sector to access these at higher costs relative to the wealthy, further exacerbating inequality and poverty. This article provides an overview of inequality and poverty in cities in the Global South. After the introduction, the article is structured in four parts. It begins with analysis of the challenges of defining and measuring urban inequality and poverty. This is followed by discussions of the geographies of inequality and poverty, and then urban informality as a response to urban development challenges in the Global South. The article ends with a conclusion and policy recommendations aimed towards addressing inequality and poverty in the Global South.

³ D. Mitlin and D. Satterthwaite, *Urban Poverty in the Global South: Scale and Nature*, London-New York, Routledge, 2013.

⁴ UNFPA, *State of World Population Report, 2007: Unleashing the Potential of Urban Growth*, New York, UNFPA, 2007.

⁵ K.V. Gough, T. Langevang and G. Owusu, *Youth Employment in a Globalising World: An Introduction*, in «International Development Planning Review», vol. 35, n. 2, 2013, pp. 91-102.

⁶ F. Obeng-Odoom, *Governance for Pro-poor Urban Development: Lessons from Ghana*, London, Routledge, 2013.

Challenges of defining and measuring urban inequality and poverty

Inequality and poverty in cities of the Global South, especially large cities, are often highly visible and difficult to ignore, and yet public policy responses are complicated by issues of definition, measurement and data «invisibility»⁷. It has been argued that reducing different forms of poverty and inequality is at the core of global development. However, the key question requiring an answer is how are these going to be defined and measured?⁸ Lang & Lingnau add that poor definitions and measurement prevent sound analyses, yield misguided evidence and can ultimately lead to poor and weak policy decisions to reduce poverty and inequality more effectively⁹.

Policy-making commonly relies on aggregate urban data that tend to mask intense pockets of inequality and poverty, both within and across cities. Aggregate data hide considerable differences in economic dynamics and high levels of urban inequality. A study on Accra notes as follows:

Various national surveys have tended to cast Accra as the «most developed» region in Ghana, and while this may not be disputed in aggregate terms, these findings tend to mask the numerous pockets of poverty in the city with deplorable living conditions which clearly depict poverty... Pockets of high population density areas in the city are characterized by dilapidated structures, poor sanitation, occasional outbreak of diseases (e.g. cholera), high unemployment rate and vulnerability to natural disasters especially floods¹⁰.

While not underestimating the extent and depth of rural poverty, it has been argued that the current approaches for measuring inequality and poverty, especially consumption-based approaches with estimated income

⁷ G. Owusu and P.W.K. Yankson, *Poverty in Ghana Is Basically a Rural Phenomenon: Are We Underestimating Urban Poverty*, in «Ghana Journal of Development Studies», vol. 4, n. 1, 2007, pp. 87-105.

⁸ V.F. Lang and H. Lingnau, *Defining and Measuring Poverty and Inequality Post-2015*, in «Journal of International Development», vol. 27, 2015, pp. 399-414, p. 399.

⁹ *Ibidem* (p. 400).

¹⁰ ISSER/UNICEF, Ghana-Accra, *Multiple Indicator Cluster Survey in 5 High Densely Populated Localities, 2010-2011. Final Report*, Accra, Ghana, ISSER, 2012.

poverty lines, tend to be biased against urban areas¹¹. Therefore, these measurement approaches tend to underestimate urban poverty, and consequently the overall poverty level of the country¹². Indeed, urban areas are typified by much higher expenditure requirements for basic goods and services, which may be free in rural areas.

Related to the definition and measurement of inequality and poverty in these cities is the failure of city authorities to plan for several areas, such as peri-urban areas of large cities which are functionally and geographically part of the city, but administratively-defined otherwise. Consequently, city administration and planning tend to neglect these areas in terms of provision of infrastructure and services, which further exacerbates existing levels of inequality and poverty¹³. Again, peri-urban areas in the Global South are noted for their weak planning and rapid occupational shifts (mainly from agriculture to non-agriculture) and changing social relations, as well as the loss of agrarian land, and those who cannot adapt do not benefit from urban expansion¹⁴.

It is now widely acknowledged that defining and measuring inequality and poverty on the basis of income is too limited, as it fails to take into account critical overlapping issues such as malnutrition, illiteracy, poor sanitation, air pollution, infectious disease outbreaks and poor housing. Many of these facets of inequality and poverty are highly visible in the cities of the Global South. Consequently, a number of non-income approaches to defining and measuring inequality and poverty have been developed in

¹¹ E. Wratten, *Conceptualising Urban Poverty*, in «Environment and Urbanization», vol. 7, 1995, pp. 11-33; C. Rakodi and J.T. Lloyd (eds.), *Urban Livelihoods: A People-centred Approach to Reducing Poverty*, London, Earthscan, 2002; Ghana Statistical Service (GSS), *Analysis of Non-monetary Poverty in Ghana*, Accra, GSS/UNDP, 2013.

¹² G. Owusu and P.W.K. Yankson, *Poverty in Ghana Is Basically...*, cit.

¹³ M. Ezzati, C.J. Webster, Y.G. Doyle, S. Rashid, G. Owusu and G.M. Leung, *Cities for Global Health*, in «BMJ», <http://doi:10.1136/bmj.k3794>, 2018.

¹⁴ G. Owusu, *Indigenes' and Migrants Access to Land in Peri-urban Areas of Ghana's Largest City of Accra*, in «International Development Planning Review (IDPR)», vol. 30, n. 2, 2008, pp. 177-198.

recent decades, including UNDP-inspired measurements of the Human Development Index (HDI); Inequality-adjusted Human Development Index (IHDI); Gender Inequality Index (GII) and Multi-dimensional Poverty Index (MPI)¹⁵. While these indices provide a comprehensive approach to defining and measuring poverty and inequality, their application is hindered by the lack of data. This is because in many cities in the Global South, data (if even they exist) are limited and aggregated¹⁶.

Geographies of inequality and poverty in Global South cities

Although spatial inequalities across and within cities can also be found in cities in the Global North, it is the depth and breadth of such inequalities in the cities of the Global South that are of concern. The *World Development Report 2009* argued that economic growth and development will continue to be unbalanced, as any attempt to spread economic development to achieve balanced development will curtail growth¹⁷. However, the Report titled *Reshaping Economic Geography* calls for an inclusive development process through economic integration, whereby individuals and groups who live far away from places of economic opportunity can benefit from the growing concentration of wealth in few places of economic opportunities¹⁸.

Yet it is the lack of access to livelihood and other economic opportunities, as well as the absence of, or weak, economic integration that account for inequality and poverty. Nowhere is this situation more the case than in the cities of the Global South, where there is closer proximity of wealth and poverty. However, Grant has argued that this «may seem counterintuitive as, by their nature, all residents in urban centres are physically much closer

¹⁵ Ghana Statistical Service (GSS), *Analysis of Non-monetary Poverty in Ghana*, Accra, GSS/UNDP, 2013.

¹⁶ U. Grant, *Spatial Inequality and Urban Poverty Traps*, cit.

¹⁷ World Bank, *World Development Report 2009: Reshaping Economic Geography*, Washington, DC, World Bank, 2009.

¹⁸ *Ibidem*; E. Aryeetey, G. Owusu and E.J. Mensah, *An Analysis of Poverty and Regional Inequalities in Ghana*, GDN Working Paper Series 27, Washington, DC-New Dehli, GDN, 2009.

to markets and services, as well as productive activities»¹⁹. While physical proximity may be an important factor, the key factors are underlying dimensions of inclusion/exclusion, and power relationships that mediate access to livelihood and other economic opportunities, which tend to be neglected in policy discourse due to limited and aggregated data as noted above²⁰.

Consequently, Grant summed up a number of geographies of inequality and poverty in the cities of the Global South with strong spatial dimensions: neighbourhood effects, inner city areas, peri-urban and high-risk settlements, and small and medium-sized towns²¹. To these can be added city size and city-level inequality, and spatiality of gendered inequality and poverty. An overview of these geographies of inequality and poverty in cities of the Global South is as follows:

- *Neighbourhood effects*: urban poverty and inequality are linked to neighbourhood socio-economic characteristics and access to technical and social infrastructure such as good roads, sanitation, schools and health facilities. In many cities in the Global South, the presence or absence of such infrastructure defines to a large extent the socio-economic status (low, middle and high-class) of neighbourhoods. Besides, good geographic location such as proximity to market centres, transit/transport terminals, service hubs etc. create positive externalities that enable residents to access jobs and services opportunities more easily. In simple terms, where one lives matter so much in the cities of the Global South.

- *Inner city areas*: while inner city areas may be attractive in terms of their centrality, these areas in the cities of the Global South are characterized by high density living conditions, considerable commodification of land, high levels of gentrification of land uses, and poor infrastructure and basic services. Another distinguishing feature of the inner city areas is the presence

¹⁹ U. Grant, *Spatial Inequality and Urban Poverty Traps*, cit.

²⁰ *Ibidem*.

²¹ *Ibidem*.

of slums, which developed partly due to the desire of the poor to live closer to places of job opportunities and also due to the poor public transport infrastructure of these cities. The presence of slums reflects a concentration of poverty, as well as inequalities regarding access to livelihood and economic opportunities.

– *Peri-urban and city fringe areas*: rapid city expansion unaccompanied by effective planning for infrastructure and services is a common feature of the cities of the Global South. Peri-urbanization and limited access to services and infrastructure create areas of limited opportunities, and the physical expression of urban poverty and inequality.

– *Environmentally high-risk settlements*: urban population growth, and land scarcity and associated high land prices and rents, are pushing increasing numbers of urban residents – especially new migrants – to live and work in environmentally high-risk, low-potential or marginal urban environments²². Such urban environments including low-lying and flood-prone area, storm drain sites, steep slopes and landfill sites.

– *Small and medium-sized towns*: while a significant proportion of the urban population in the Global South lives in small and medium-sized towns, public and private investments have over-concentrated on large towns and cities²³. The limited investments in these towns have impacted negatively on their growth and development. Rural-urban migrants in the Global South have a strong preference for large cities because of the limited public services and job opportunities in small and medium-sized towns. Hence, migrants tend to bypass or use these towns as transition centres to large cities in a stepwise migration processes²⁴.

– *City size and city level inequality*: although there is debate about city size and inequality at city level, the emerging consensus is that larger city sizes

²² S. Agyei-Mensah, G. Owusu and C. Wrigley-Asante, *The MDGs and Urban Health in Africa*, in «International Development Planning Review (IDPR)», 2015, pp. 53-60, available online at DOI: 10.3828/idpr.2015.6.

²³ G. Owusu, *The Role of Small Towns in Poverty Reduction and Regional Development in Ghana*, in «International Journal of Urban and Regional Research (IJURR)», vol. 32, n. 2, 2008, pp. 453-472.

²⁴ D. Satterthwaite and C. Tacoli, *The Urban Part of Rural Development: The Role of Small and Intermediate Urban Centres in Rural and Regional Development and Poverty Reduction*, London, IIED, 2003.

are associated with higher levels of inequality. Though large cities provide broader opportunities, they also concentrate high-income, high rent and other costs of living and a greater number of lower income households – all these translating into a scaling of inequality²⁵. Consequently, rapid-growing metropolitan cities of the Global South have been noted as concentrating not only wealth but growing levels of inequality and poverty.

– *Gendered urban inequality and poverty*: urban planning, if it does occur in the Global South, barely takes into consideration gender issues such as the discrimination women face in terms of access to employment, basic services like housing, safety and security issues²⁶. Yet the urbanization process itself is shaped by gender roles and relations. The transformation of household structures, the shifts in household survival strategies and changing patterns of employment are all gendered²⁷. There are gender differences in issues of vulnerability to illness and violence in the city. For instance, studies in Ghana have shown that many female migrants in the city are very vulnerable, earn meagre incomes and have few assets, are subjected to sexual abuses and have major health challenges – all contributing to widening inequality and poverty²⁸.

Urban informality: Responding to inequality and poverty

At the core of urban poverty and inequality is the existence of poor urban governance frameworks in many countries of the Global South. In many countries of the Global South, especially in Sub-saharan Africa, overbearing states and central governments' control of city governments have tended to stifle creativity and innovation in addressing local urban development

²⁵ D. Castells-Quintana, V. Royuela and P. Veneri, *Inequality and City Size: An Analysis for OECD Functional Urban Areas*, Papers in Regional Science, <https://doi.org/10.1111/pirs.12520>, 2020.

²⁶ C. Tacoli, *Urbanization, Gender and Urban Poverty Paid Work and Unpaid Carework in the City*, Working Paper 7, London, IIED, 2012; C. Wrigley-Asante, G. Owusu, M. Oteng-Ababio and A.Y. Owusu, *Poverty and Crime: Uncovering the Hidden Face of Sexual Crimes in Urban Low-income Communities*, in «Ghana Journal of Geography», vol. 8, n. 1, 2016, pp. 32-50.

²⁷ C. Tacoli, *Urbanization, Gender and...*, cit.

²⁸ *Ibidem*; M. Awumbila and E. Ardayfio-Schandorf, *Gendered Poverty, Migration and Livelihood Strategies of Female Porters in Accra, Ghana*, in «Norwegian Journal of Geography», vol. 52, n. 3, 2008, pp. 171-179.

challenges. In addition, parallel and overlapping structures and institutions have resulted in duplication of functions and roles, and poor coordination of efforts and interventions in the urban sector of many cities in the Global South. The overall impact is weak participation of urban residents in decision-making, and poorly-structured representative government.

Despite weak governance and planning and the myriad challenges confronting cities of the Global South, urban life has not collapsed, largely thanks to the informal sector²⁹. Although there is a long-standing debate as what constitutes the «informal sector», there is some level of consensus that the sector refers to various socio-economic activities and services, which are officially not regulated and operate outside existing formally-defined laws and regulations³⁰. In many cities in the Global South, it is the informal sector that provides the majority of urban citizens with shelter (housing), employment, income, transport, and any claims on consumption of goods and services.

In spite of the significant contribution of the informal sector to the city and national economies of the Global South, informal economic activities lack policies that support them and/or protect operators in the sector. In many cities, lack of adequate policy attention to the informal sector has led to a situation whereby spatial planning has failed to consider informal economy activities in planning and zoning. This often results in clashes between informal economy operators and city authorities, mainly on the issue of location³¹. The burden of these clashes fall disproportionately on the

²⁹ G. Owusu, *African Cities: Changes and Challenges*, A Keynote Lecture presented at the Challenges and Opportunities towards Sustainable Growth of Africa's Cities, Milan, Italy, September 23, 2019; F. Obeng-Odoom, *Neoliberalism and the Urban Economy in Ghana: Urban Employment, Inequality, and Poverty*, in «Growth and Change», vol. 43, n. 1, 2012, pp. 85-109.

³⁰ Y.A. Baah and I. Otoo, *Earnings in the Private Formal and Informal Economies in Ghana*, GTUC Discussion Paper, October 2006.

³¹ A.O. Crentsil and G. Owusu, *Accra's Decongestion Policy: Another Face of Urban Clearance or Bulldozing Approach?*, in «International Development Policy|Revue internationale de politique de développement», <http://doi.org/10.4000/poldev.2719>, 2018.

millions of the youth and poor who have flocked to urban areas in search of non-existent jobs in the formal sector (be it public or private). Such practices tend to destroy and disrupt the livelihoods of informal operators, many of whom are poor and in low-income brackets, with serious consequences for inequality and poverty.

The reality of the informal sector as the largest provider of housing, employment and other socio-economic opportunities in cities of the Global South is yet to gain the necessary attention. This raises broader questions about the «Right to the City» and the need to promote «inclusive and sustainable» urban development. Evidence to date suggests that the targeting of informal activities and blight areas of cities by city authorities through slum clearance and evictions have not deterred the influx of the poor into cities. This is because to a large extent, cities of the Global South are perceived as areas of socio-economic opportunities relative to rural areas³².

Conclusion and policy response

The vast majority of the world's urban poor live in the Global South, mostly in overcrowded settlements with limited access to sanitation, water, health and other basic services. However, there is also evidence of growing wealth and millions moving out of poverty as a result of urbanization and migration to cities. It is within this context that inequality and poverty in cities of the Global South are placed. However, the rapid pace of urbanization buttressed by the fact that in many regions of the Global South such as Sub-saharan Africa, the process of urbanization is in its infancy, calls for prompt policy responses to address the growing challenges of inequality and poverty.

It is in context of the above that the following are recommended:

³² W.F. Steel, T.D. Ujoranyi and G. Owusu, *Why Evictions Don't Deter Street Traders: Case Study in Accra, Ghana*, in «Ghana Social Science Journal», vol. 11, n. 2, 2014, pp. 50-73.

First, urban planning and city management in general need to take a serious view of the informal sector as a true reflection of the African city, and not as a nuisance that needs to be eliminated. Consequently, policies and strategies must be deployed (including infrastructure and services) to support the informal sector. Also, city and national governments – as well as international development partners – need to accept that the informal sector will continue to evolve and will also be in a constant state of flux, with some aspects remaining informal while others are being formalized.

Second, in many rapidly ever-growing African cities, addressing the challenges of cities requires the need to view these cities as a system in which the different range of challenges are interconnected and interlinked, with common underlying political economy factors impeding efforts to address these challenges. Consequently, issues of inadequate infrastructure and services, severe housing deficits and slums, poor sanitation and waste management, limited job opportunities, gender inequalities etc. – require the recognition of each city as a system. This therefore demands addressing all these challenges at the same time, in order to make African cities liveable and competitive. The sectoral approach to tackling African cities' challenges has proven largely inadequate. For instance, it has been argued that to address informal settlements and their challenges requires a systems approach, whereby these settlements are seen as integral parts of the city³³. Therefore, where there is limited governmental support for the planning and redevelopment of slums and their integration into the broader urban environment, long-term inequality and inter-generational disadvantages tend to be perpetuated or exacerbated³⁴.

Third, related to systems thinking, there is the need to pay both policy and investment attention to small and medium-size towns or secondary cities in Africa. Too often national governments and international devel-

³³ S. Smit, J.K. Musango, Z. Kovacic and A.C. Brent, *Conceptualising Slum in an Urban African Context*, in «Cities», vol. 62, 2017, pp. 107-109.

³⁴ *Ibidem*.

opment partners have tended to focus on large cities and metropolitan centres, to the neglect of secondary cities. In particular, improving transport and other connectivity infrastructure between cities and small/medium-sized towns can serve as the basis for not only enhancing rural-urban linkages and development of these secondary cities, and the regional and national economies, but also addressing some of the core challenges of large cities (including their ecological footprints).

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