



LINCOLN INSTITUTE  
OF LAND POLICY

**Equitable Cities Initiative: Case Studies**  
**Framing Document**

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## **I. Introduction**

In this century citizens and policy makers across the world have paid growing attention to the problem of urban and spatial inequality. The causes of inequitable development are numerous and manifest across multiple jurisdictional scales. Solutions must therefore be similarly pursued at multiple scales. At the local level, municipal and regional governments must address equity issues such as access to housing, food, and health care; provision of transportation; and payment of living wages. These issues are inexorably tied to the use of land and the spatial pattern of development. Equitable land policies, therefore, can and must play an important role in increasing equity in the global economy. Toward that end, we offer case studies of innovative land policies in nine urban regions of the world that show how governments are addressing equity issues. These cases come from South America, Africa, Europe, and North America, and show how progress toward an equitable city can be made via policy at multiple levels and in multiple international contexts.

## **II. Literature Review**

Income inequality across the world is a complex and dynamic problem. Inequality can be measured within nations or regions, but also across national borders. Global economic data consistently show that since the 1980s, inequality across nations has fallen, as developing countries like India and China have industrialized and seen their incomes rise (Firebaugh, 2014). However, as global incomes have risen, inequality within most countries has risen as well, especially in rich developed countries but also in developing ones. Wealth and income in both developing and developed nations has accrued at the top end of income distribution; and wealth, in general, in developed countries has continued to increase (Milanovic, 2013).

This decade, the results of this polarization are clear. Conflict and diverging cross-national economic fortunes have made immigration more attractive across the globe. As Milanovic (2013) notes, “more than two-thirds of total inequality is due to location.” In other words, citizenship in either a poor or a rich country is strong determinant of inequality. Poor individuals in poor countries remain much poorer than poor individuals in

rich countries, on average. The economic benefits of migration continue to lure people to cities both within national borders and across great international distances.

One important spatial component of this problem is the metropolitan region. In the current era of globalization, the relevance of the region, both supra-national and sub-national, has continued to grow. Rates of economic growth and employment in large metropolitan regions are typically higher than in rural areas, and in developed countries like the U.S. and U.K., economic growth has been concentrated in large metropolitan areas for two decades. These regions in turn experience the boons of growth, but also bear increasing migration pressure both external and internal, and the harsh realities of income inequality. These burdens of growth typically include informal settlements, high housing costs, poor social and physical infrastructure, and conflict between existing residents and newcomers.

The World Resources Institute estimates that by 2050, 2.5 billion people will be added to the world's urban population. The challenges of this dramatic expansion are greatest in "cities that have weak planning and land governance" (Mahendra and Seto, 2019). Complicating this challenge, poverty worldwide is becoming an urban problem, because the rate of poor individuals moving to cities is higher than the growth rate of the population as a whole (Ravallion et al. 2007). Further complicating matters, these populations are geographically concentrated. For example, in developing cities in Latin America and sub-Saharan Africa, between 25 percent and 70 percent of the urban population lives in informal or underserved settlements (Mahendra and Seto, 2019).

Explanations for metropolitan inequality vary. Some blame globalization, others point to technology, while still others view rising disparities as an inevitable consequence of global capitalism. Research by Thomas Piketty and others demonstrates that income distribution has become more unequal not only in the United States but in many nations in the Global North and South. The reasons are uncertain, but a growing body of research by Raj Chetty and others suggests that the social-spatial pattern of development—the geography of opportunity—is one cause (Chetty et al. 2014). Further, according to the United Nations, more than two-thirds of the world's population lives in cities that are more unequal today than they were 20 years ago. Partly due to this, several of the United Nations' Sustainable Development Goals (SDGs) address urban equity, including Goal 1

(No Poverty), Goal 10 (Reduced Inequality), and Goal 11 (Sustainable Cities and Communities) (UN General Assembly, 2015).

Scholarship on regional policy and urban equity has responded to these challenges. The idea of progressive regionalism emerged in the 1990s in response to growing national and metropolitan inequality. This regionalist approach focuses on a subnational spatial scale and on fostering economic competitiveness while providing social equity (Clark and Christopherson, 2006). Research has shown that the impacts of such policies go well beyond normative political and social desires to develop more inclusive and equitable regions. Rodrik (1999) found that nations can better handle external shocks (economic, social, or political) if their government, laws, and social welfare are strong. Benner and Pastor (2015) found that metropolitan economic growth in the United States strongly correlates with less metropolitan income inequality and social and spatial segregation. The World Resources Institute argues that equitable provision of key urban governance and resources like land use, housing, water, energy, and sanitation can lead to greater economic prosperity and environmental sustainability for cities as a whole (Beard et al. 2016).

### **III. The Case Studies**

The growing body of research briefly reviewed above demonstrates that urbanization is expected to continue at a rate that will challenge governments across the globe. Spatial policies and governance structures have been conclusively proven to matter to individuals' life outcomes and to entire regions' economic growth and prosperity. Despite this rising evidence and concern, much remains to be learned. Critical unanswered questions include:

- 1) How do the geography of opportunity and other measures of urban disparity differ in cities around the world?
- 2) What role do land and housing markets play in perpetuating inequality?
- 3) How can land and housing policies—at the municipal, county, and regional levels— promote social equity?

The case studies in this volume offer examples of innovative new approaches to reducing urban inequality and building sustainable, equitable, and prosperous regions. The types of policies vary greatly, because city and regional governments operate in so many different contexts. For this pilot and modest inquiry, we sought case studies that (1) were

adopted at the municipal, county, or regional level; (2) were explicitly designed to reduce social inequality; and (3) had been in place long enough to have measurable impacts. After reviewing more than 25 candidate cases, the research team selected eleven cases from several regions—Europe, North America, South America, and Africa (Table 1).

Table 1: Case Study Locations

<b>Europe</b>	<b>North America</b>	<b>South America</b>	<b>Africa</b>
Budapest	Minneapolis–St. Paul	Medellín	Addis Ababa
Copenhagen	Montgomery County, MD	São Paulo	Dar es Salaam
Lisbon		Santiago	Johannesburg

Because these cases come from four different continents, in different nations with varying political, economic, and urban systems, they must be considered in their larger national and international context. That said, we hope these examples provide insights and inspiration to local governments worldwide as they adjust to new global realities while dealing with age-old problems such as providing residents housing, transportation, and other social services.

### ***Case Studies in Europe***

Unlike in the United States, urban policy in Europe tends to include multiple layers of government. Many European nations have national spatial plans and urban development policies. Funds from the European Union, a critical source of support for urban infrastructure, often come with strings attached. This is reflected in the European case studies. In Lisbon, city planners grappled with the need to provide transit service in ways that maximized ridership while also serving low-income communities. In Budapest, EU policies provided local officials with economic incentives to prepare and adopt a social integration plan only partially supported by long-term local leaders. In Copenhagen, innovative new housing policies were developed partly in response to housing policy constraints set by the national government.

Budapest, Hungary. This case study explores the ways a complex planning tool (a desegregation plan) and a complex intervention (social rehabilitation) helped alleviate socio-spatial segregation in Budapest, the capital of Hungary. Introduced in 2007 as a condition for accessing European Union (EU) funds for urban rehabilitation, local municipalities' mandatory desegregation plans had to present policies and actions to ease spatial segregation, although no money was directly dedicated to implementing these policies, aside from social rehabilitation programs. These programs concentrated on urban areas at risk of segregation, and they supported complex infrastructure upgrades and interventions to increase residents' educational levels and social skills. Between 2007 and 2018, 20 social rehabilitation projects were funded in Budapest with limited success: Local municipalities were unable to provide long-term social assistance to vulnerable inhabitants due to insufficient motivation.

Copenhagen, Denmark. Copenhagen has experienced long cycles of expansions and contractions in social welfare policies. This case study will outline the changes in the housing market after the early 20th century boom and crisis, with special attention to providing affordable housing through regulations, and land and housing policy. A recent initiative to develop affordable housing opportunities for “core workers” is the “SocialHousing Plus” (“AlmenBolig+”) program, developed by the Copenhagen Social Housing Association. The program is designed to lower the costs of housing construction and maintenance and promote residential self-management, large-scale production of prefabricated housing, and reduced energy consumption. This case study explores the efficacy of this program, which has so far produced more than 1,500 dwellings.

Lisbon, Portugal. This case study explores how the expansion of Lisbon's subway network to formerly peripheral areas has affected social equity since the late 1990s. The subway project's impacts are analyzed in conjunction with specific urban regeneration projects and public-housing programs. The expansion connected the central city districts with outlying areas, some of which had high socio-spatial segregation. While the expansion did improve accessibility and reduce travel times considerably, it also triggered

other public and private-led urban projects that affected the local socioeconomic fabric. So, whose interests are served by infrastructure development policies and priorities?

### ***Case Studies in North America***

In North America, a major obstacle to promoting social equity and mobility is the lack of low-income housing, especially in neighborhoods that provide access to opportunity. Although the national government has historically not been active in this area, municipal, county, and regional governments have all been engaged. In Montgomery County, this issue has been long and efficiently addressed through its inclusionary zoning program—in which affordable housing must be included in development projects throughout the county. And in Minneapolis–St. Paul, the regional government adopted an Opportunity Clusters Framework to assure more equal distribution of transportation and housing investments in the area.

Minneapolis–St. Paul. This case study describes the Opportunity Clusters Framework (OCF), an equity initiative by the Metropolitan Council, which serves as the federally designated metropolitan planning organization (MPO) for the Twin Cities metro. The OCF informs regional transportation and housing plans, as well as community engagement practices. After describing the region and the magnitude of its existing disparities, the case summarizes the Council’s work to implement the OCF, focusing on spatially targeted improvements in transportation and accessibility to jobs. Finally, it illustrates how an index of regional equity can be used to help assess the success of Council initiatives like the OCF.

Montgomery County, Maryland. Montgomery County is a relatively wealthy suburb of Washington, DC. Once predominantly white, Montgomery County’s nearly one million current residents are racially diverse, with an increasing minority population that represents more than 55 percent of the total county. Generations of residents have been attracted to the county’s strong and stable economy, which is diverse but depends largely on the federal government. The politically progressive county is widely known for its pioneering approach to land-use policy, including its “wedges and corridors” plan and its

rural reserve policy. Its signature program, the Moderately Priced Dwelling Unit (MPDU) program, is well regarded as the oldest and among the most successful inclusionary zoning programs in the United States. This case study assesses the historic and current landscape of social equity in the county and examines how much the MPDU program has helped to promote social, economic, and spatial equity in its diverse populations and neighborhoods.

### ***Case Studies in South America***

In South America, social equity has long been shaped by the establishment of property rights, the provision of urban infrastructure, and the process of urban development. In Chile, where informality has been largely eradicated, Santiago adopted inclusionary zoning that has helped promote social integration. In São Paulo, a new approach to value capture has the potential to build a more favorable tax structure. In Medellín, large-scale development projects promote social urbanism, a strategy designed to reduce social fragmentation and increase low-income residents' access to opportunity.

Medellín, Colombia. For many years, Medellín's low-income neighborhoods developed through informal practices such as land squatting and collective invasions, resulting in the fragmentation of low-income neighborhoods that isolated millions far from the city's economic opportunities, transit networks, and community facilities. This case study focuses on the role of large-scale urban development projects, known in Spanish as "Proyectos Urbanos Integrales" (PUIs), the key land policy tool used to implement "social urbanism." Further, the case study illustrates how PUIs have transformed Medellín's urban structure by reducing spatial fragmentation and increasing access to social services and infrastructure for traditionally marginalized populations.

Santiago, Chile. Chile is internationally known for its success in nearly eradicating housing informality. This success, however, led to large areas of segregated, low-income housing developments of very low quality and with poor access to services and employment centers. To address these issues, Chile's central government adopted an inclusionary housing program that includes a range of housing prices and provides subsidies to low- and middle-income households. Using recent assessments, this case study



describes how housing markets respond to social inclusion's requirements, how it has increased positive social interactions, and how social inclusion subsidies can result in higher-quality housing developments.

São Paulo, Brazil. The dynamic and massive metropolitan area of São Paulo has developed an innovative and home-grown land value capture method. Any developer seeking to construct a building that exceeds the city's basic land regulation for density must purchase construction rights from the government. Through different sale mechanisms, the city government raises funds from these construction rights, which in theory can be used to promote equitable development policy. This case reviews the use of these funds over time and suggests ways to make the land value capture instrument more equitable.

### ***Case Studies in Africa***

In Africa, spatial inequality is rooted in the legacies of colonialism, racism, and civil conflict. The three cases from Africa explore how three regions are tackling disparate problems: climate change mitigation, provision of affordable housing, and inequitable urban development. In Addis Ababa, a massive public investment in housing has greatly reduced housing inequality, but not without costs. In Dar es Salaam, municipal governments are struggling to equitably provide services in a region facing severe consequences of climate change. In Johannesburg, the metropolitan government is attempting to correct decades of inequitable development with targeted public investment and private sector cooperation through transit-oriented development (TOD).

Addis Ababa, Ethiopia. Addis Ababa is the dynamic capital of one Africa's largest national economies, and the city's rapid urbanization has raised significant challenges in the housing sector. In 2005, the government began responding by building tens of thousands of public-housing units in a massive social homeownership scheme. This case study critically examines the costs and benefits of the program, which has increased housing and sanitation but made commutes longer and left out important urban amenities

for new residents. Further, the massive expansion of housing has done little to ameliorate a housing shortage, and homeownership remains out of reach for most low-income residents.

Dar es Salaam, Tanzania. Dar es Salaam is a rapidly urbanizing coastal city facing a two-pronged challenge: planning for rapid growth and mitigating the impacts of climate change. Both must be done despite historical and current inequality, which prevents some residents from accessing urban services like land and water resources. This case study examines the links between the city's social equity and changes to the environment by critically examining the success of an EU-funded project. That project sought to identify successful climate adaptation and mitigation projects in the context of rapid urban growth, while considering social and spatial equity and environmental justice.

Johannesburg, South Africa. Economic inequality in the modern metropolis is perhaps most starkly visible in Johannesburg, a sprawling, highly developed region of nearly six million still struggling with the legacy of apartheid. In 2013, the metropolitan government launched a program called "Corridors of Freedom," which aimed to use transit-oriented development to spatially and economically integrate the city. Various policies made public investments in socially and economically deprived corridors and simultaneously attracted private investment. This case study critically evaluates the successes and pitfalls of that program.

These case studies vary greatly in their metropolitan context and international geography. However, some consistent policy themes emerge. Several cities are trying innovative housing programs to increase equity, as in Copenhagen, Addis Ababa, and Montgomery County. Other cities, like Medellín, Dar es Salaam, Santiago, Budapest, and Minneapolis, are exploring changes to planning process and governance, to further equitable development. Lisbon's transportation investments, Johannesburg's equitable TOD program, and São Paulo's land value capture policy show the potential effects of land-use and fiscal policies on social equity in the metropolitan region.

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