RAPID URBANIZATION AND DEVELOPMENT
LATIN AMERICA AND CHINA
Summary of the presentations at the first Latin America-China Policy and Knowledge Summit relating to the impacts of rapid urbanization and national prosperity, held in Lima, Peru, on July 15-16, 2014, and co-organized by the Chinese Academy of Social Sciences, Ministry of Housing, Construction, and Sanitation of Peru, and Inter-American Development Bank.
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In July 2014, President Xi Jinping of the People’s Republic of China (China), made a tour of Brazil, Argentina, Venezuela, and Cuba during his second visit to Latin America within a little more than a year. In June 2013, he had visited Trinidad and Tobago, Costa Rica, and Mexico prior to meeting United States President Barack Obama in California. This is a clear example that the relationship between China and Latin America is strengthening.

For centuries, the relationship of the two regions has been within the setting of the Pacific. In colonial times, Spanish galleons sailed between Acapulco and Manila, loaded with Asian and American products. During the nineteenth century, tens of thousands of Chinese migrants arrived at our coasts to work in the construction of channels and railroads, on sugar plantations, and in the guano and saltpeter mines. Further migratory waves would occur during the violence that has taken place in the twentieth century.

The presence of the Chinese in our culture has contributed to our culture, from culinary art to the urban landscape. There are Chinese enclaves in many of the great cities of our continent, and the remarkable influence of those of Chinese ancestry has been recognized in academia, the arts, and public service.

Today, the Pacific Ocean continues to be a route for commerce at an unprecedented scale. This is due to the fact that, today, over 40 percent of the global stock exchange represents trade across these waters.

Since 2000, the trade exchange between China and Latin America has grown at the impressive rate of 23 percent a year. Today, China is the primary destination of exports from Brazil, Chile, and Peru. The Chinese economy consumes 40 percent of the copper that is exported worldwide, 47 percent of the iron, and 53 percent of soybeans.

One of the drivers of China’s demand for commodities has been its rapid urbanization, which has grown at an unprecedented rate. In the last 35 years, more than 560 million people have migrated from rural areas to cities. This is almost equivalent to the entire population of Latin American.

In March, the Chinese authorities made official a national urbanization plan to increase the rate of urbanization to 60 percent of total population by 2020. This will add 100 million residents to the cities in China—more people than the sum of the population of Lima, São Paulo, Mexico City, Buenos Aires, Rio de Janeiro, Bogota, and Santiago. The estimated investment in urban infrastructure is US$6.8 trillion.
This plan represents an enormous opportunity for Latin America. Firstly, this massive infrastructure investment will represent a continuing demand for many Latin American commodities; secondly, the increase in the purchasing power of urban Chinese families will provide us with an opportunity to diversify our exports to include products of greater added value.

This visit by President Xi also indicates that the relationship between China and Latin America will cease from being exclusively business-oriented. Today, we are all aware that the path toward sustainable development is made through knowledge, innovation, environmental protection, and educational and institutional improvement, and that it goes beyond the large investments in infrastructure.

Trade has represented the first ties between China and Latin America. The current challenge is greater: we must build a common platform for sharing ideas. With this in mind, the Inter-American Development Bank (IDB), with its mission and expertise, has spearheaded this dialogue. In July 2014, we sponsored in Lima, together with the Ministry of Housing, Construction and Sanitation of Peru and the Chinese Academy of Social Sciences, the Latin America-China Policy and Knowledge Summit relating to urban development and housing policies. The meeting was attended by the Ministers of Housing from Brazil, Chile, Ecuador, and Peru, together with government officials and academics from China. The goal is to boost trade as a vital topic in relation to the rapid urbanization and development that is taking place in our respective societies.

We have many challenges in common. By 2020, there will be seven megalopolises with more than 10 million inhabitants in China and within our own region. We have many experiences to share: Latin America will need to learn through public and private cooperation and from China’s national planning, in order to coordinate the growth of cities in terms of productive development. China can take advantage of some of the innovative solutions that we have applied in areas such as social protection, urban transportation, and programs to upgrade neighborhoods.

We hope this dialog is a further step toward full cooperation between two regions with a history between them. In this way, the Pacific will become more than a navigation route for cargo vessels: it will become an avenue for the exchange of ideas. Thanks to this type of event, we will be able to shorten the distance that separates us in terms of development.
China and Latin American countries face similar challenges with regard to their cities. This convergence is a consequence, to a great extent, of the speed at which both regions have urbanized. The process that took a century to take place in Western Europe and North America has shortened to a third of the time—if not less—in our countries.

Although, in China, urbanization has occurred later and more rapidly and massively than in Latin America, in both cases it has related to the extensive migration of rural people to urban areas. Between 1950 and 2010, the urban population of Latin America increased seven-fold—from 69 million to 480 million. During this period, the urban population of China increased ten-fold—from 65 million to 700 million. The growth peak of urban population in Latin America took place in the 1950s, when it reached 4.5 percent annually. In China, two growth peaks have taken place—one in the 1950s, reaching 5.2 percent, and the other in 1980, reaching 4.8 percent. In 1990, Buenos Aires, Mexico City, and São Paulo were among the 10 most populated cities of the world. By 2013, only Mexico City remained on that list, while Shanghai and Beijing ranked among the top five.

In China and Latin America, migration toward urban centers has meant meaningful social and economic improvement for the migrating population. New urban households have improved incomes and access to basic services, health, and education. In Latin America, between 1990 and 2012, the indigence index reduced from 12 percent to 6 percent of the population. In China, the same indicator, during the same time period, reduced from 60 percent to less than 13 percent. The Human Development Index shows an increase of 10 percentage points in the last 20 years for Latin America and 20 percentage points for China.

The effect of these improvements represents a massive increase in the demand for urban services, often beyond the capacity of national and subnational governments. The lack of urban services, however, has not been a challenge to urbanization; rather, it is an incentive for the informal provision of services. Almost a third of the urban population in Latin America [160 million] resides in informal settlements. Likewise, in China, a third of the urban population [234 million] receives services from the informal sector due to the lack of permits to live in urban areas.

The rapid and significant increase in the value of urban land, which diminishes housing accessibility for a growing number of households, is also a coincidence. Brazil, Chile, China, Ecuador, and Peru have large programs to enable lower income households to afford basic housing. The great challenge
of those policies is to improve the quality and location of social housing without contributing to the expansion of the urban footprint.

Furthermore, rapid urban expansion generates disequilibrium of the environment, the occupation of rural lands, and an increase in the exploitation of natural resources. While the urban population growth rate diminishes because most people already live in cities, the expansion of urban territory continues. In the last decade, the growth rate of urbanized areas in Chinese and Latin American cities quadrupled. Such anti-densification is alarming, as it increases the demand for natural resources, creates social segregation, and raises the cost of service provision.

The following texts summarize the presentations of those who have in-depth knowledge of the complexity of Chinese and Latin American urbanization. Those who are responsible for guiding national politics relating to urban development and housing will participate in the first two panels, while the following three panels will reflect the visions of prominent scholars, representatives of nongovernmental organizations, and local governments.

The first panel focuses on land use policies. Director-General of the Land Planning Department of China, Dong Zuoji, highlights the role of policies within the National New Urbanization Plan (2014–2020). The policies intend to limit the expansion of large eastern Chinese cities, promote the urbanization of the central and western regions of China, and preserve land with agricultural value. Minister of Housing and Urbanism of Chile, Paulina Saball, underlines the significant relationship between land use policies and urban reform, with Chile’s goal to decrease the socio-spatial segregation that causes the concentration of the poorest households in urban peripheral areas. Minister of Urban Development and Housing of Ecuador, Diego Aulestia, highlights the existing relationship between land speculation and the disorganized and low-density expansion of urban centers in his country.

The second panel relates to social housing policies. Deputy Director-General of Housing Reform and Development Department of China, Wangh Yonghui introduces the Government’s agreement to facilitate access to urban housing by supporting rental and property housing and the construction of housing by the public and private sectors. Secretary of Housing of Brazil, Inés Magalhães highlights two important programs in Brazil—one that targets the integral improvement of informal settlements and the other that focuses on direct household subsidies to facilitate the buying of housing units from the private sector. This approach is similar to the mechanism exposed by Minister of Housing, Construction, and Sanitation of Peru, Milton Von Hesse, who explains the role and innovations of the MiVivienda fund to support access to and improve the housing in Peru.

The third panel discusses urban planning and development. Author Janice Perlman identifies the persistency of urban informality, its economic and social dimensions, and the need to include these in plans. Wei Houkai, Deputy Director-General of Housing Reform and Development Department of China, identifies the main challenges that must be confronted by Chinese urban planning, by which the National New Urbanization Plan will provide urban citizenship to 100 million informal immigrants and will promote denser and better distributed cities. Executive Director of the Cities Century XXI Institute, Guido Valdivia, presents a strategic overview of urbanization, whereby planning will promote the global competitiveness of the Peruvian economy.

The fourth panel addresses sustainability and urban growth. Director of the Center for City and Competitiveness at CASS, Ni Pengfei, establishes eight
key indicators for a competitive and sustainable city, exemplifying a Chinese city for each dimension. Elkin Velásquez, Head of the Regional Office for the Caribbean and Latin America, UN-Habitat, calls for an improvement in the quality of Latin American cities which need to be reviewed and redeveloped in a way that is financially sustainable, well regulated, and with good design.

The National Director of Urbanization of Peru, Luis Tagle traces the recent history of urban growth in Peru and promotes a more sustainable model of urbanization.

The fifth and last panel discusses infrastructure and innovation. Deputy Director-General of Xi’an Municipal Commission of Urban–Rural Development, Gao Sheng’an presents the evolution of Xi’an, an old Chinese city that has managed to integrate into its development the protection of cultural and natural heritage with innovative systems of transport and urban financing. Dean of the Faculty of Architecture at the Universidad San Ignacio de Loyola, Miguel Romero Sotelo, puts into perspective the territorial development of Peru, highlighting its integration with the rest of the continent and the urban transformation outside of Lima. General Manager of Huawei in Peru, Yang Peng brings to the discussion the issue of connectivity in terms of information technology and its role in promoting urban development.

The speakers who open this Summit, CASS Vice President Li Yang, Minister Von Hesse; Ana María Rodríguez, Manager of the Institutions for Development Sector at the IDB; Fidel Jaramillo, IDB Representative in Peru; and Ambassador of the People’s Republic of China in the Republic of Peru, Huang Minhui agree that the economic ties that unite China and Latin America are more beneficial when they are reinforced by the exchange of knowledge. Those who close the Summit—Director of the Bureau of International Cooperation of CASS, Wang Lei; IDB Chief of the of Fiscal and Municipal Management Division, Vicente Fretes; Vice Minister of housing of Peru, Ricardo Vidal, and Deputy Director-General of the Institute of Finance and Banking of the People’s Bank of China, Wen XinXiang—concur on the huge value that this exchange represents, with the request for a repeat event. The intention of IDB is to support this exchange and the work toward developing more fair, sustainable, and prosperous cities for all.

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[1] For further references on the IDB guidelines for urban development, see “Sector Framework Document for the Urban Development and Housing Sector” (Fretes-Cibils and Libertun de Duren, 2013). For more information on the commercial relationship between China and Latin America, see “The Emergence of China: Opportunities and Challenges for Latin America” (Devlin, Estevadoral, and Rodriguez-Clare, Eds. 2014)
执行摘要

中拉政策与知识高端研讨会

目前，中国和拉美国家的城市面临着相似的挑战——这在很大的程度上来说，与双方国家的飞速城镇化有着密切关系：西欧和北美通过一个世纪完成的城镇化历程，中国和拉美仅用其不到三分之一的时间就完成了。

尽管中国的城镇化历程比拉美开始得晚、推进得快、规模也要比拉美大，但两地的经历都离不开乡镇人口迁向城市的大潮。从1950年到2010年，拉美的城镇人口增长了7倍，从6900万到4.8亿人口。与此同时，中国的城镇人口增长了十多倍，从6500万人激增至7亿人口。拉美城镇人口的增长在50年代出现了高峰期，年均增长率为4.5%。中国的城镇化则经历了两个高峰期，第一次是在50年代，年均增速5.2%；第二次是在80年代，年均增速4.8%。截至1990年，墨西哥城、圣保罗和布宜诺斯艾利斯已跻身世界上人口最多的大城市的前十名。预计到2030年，仅仅墨西哥城仍会“榜上有名”，而上海和北京则会进入全球最大城市中的前五名。

不论是在中国还是在拉美，乡村人口向城镇的迁移都伴随着社会和经济的发展。新落户的城市居民能取得更高的收入，同时也享受到了更好的基本服务和医疗条件，子女也能接受更好的教育。1990至2012年间，拉美贫困率从人口总数的12%降至6%，中国贫困率从60%减至13%以下；同时，拉美人类发展指数在过去的20余年间上升了10个百分点，中国人类发展指数上升了20个百分点。

在城镇化大踏步前进的同时，居民对城市服务的需求也大幅增加，有时甚至超过了国家和地区政府的能力范畴。尽管如此，城市服务上的赤字却没有阻碍城镇化的推进，而是为非正规部门创造了弥补空缺的机会。在拉美，约1.6亿人口，即近三分之一的城镇人口居住在棚户区。在中国，约2.34亿人口，即三分之一的城镇人口没有城市户口，无法享受与户籍人口等值的正规服务。

同时，随着城市用地价格激增和人口的不断增长，能用来建房的土地日益短缺。中国、秘鲁、巴西、厄瓜多尔和智利政府都有保障性住房项目，来满足低收入家庭的基本住房要求；而保障性住房政策面临的一大挑战，则是提高住房质量、改善其地理位置。

此外，城镇的快速蔓延导致了环境失衡，侵占了农村用地，也增加了自然资源的采掘。随着城镇人口增长率的降低，城镇人口已成为总人口的大多数，城市用地也不断膨胀。在过去的十年中，中国和拉美城镇面积的增速已达到了城镇人口增速的四倍。而随着城市密度的降低，城市对自然资源的需求相对增加，造成社会隔离加剧、各项服务成本上升，局势不容乐观。

以下总结的各篇文章均来自中国和拉美对城镇化这一复杂现象有着深入研究的各位学者在本届高端研讨会上的演讲。研讨会分为五场专题会议，前两个专题由肩负着指导国家城镇发展和住房政策的各位与会者探讨，而后三个专题则反映了杰出学者、民间组织代表及当地政府的心声。

研讨会的第一个专题是用地政策。通过对国家新型城镇化规划（2014-2020年）的分析，中国国土资源部规划司司长董祚继强调了用地政策的作用：即限制东部大城市的蔓延，加强中西部城镇化，并保护有价值的农业用地。智利住房与城市建设部部长宝丽娜·萨瓦尔指出，用地政策必须结合城市地形，
并讲述了智利当局减轻城市周边地区贫困家庭所面临的空间隔离和社会隔
界的政策。厄瓜多尔发展及住房部长迭戈·阿莱斯特亚则分析了该国土地投机和
市无序蔓延、城市密度降低之间的关系。

第二场专题会议围绕着保障性住房政策展开。中国住房城乡建设部住房改革
与发展司副巡视员王永辉讲述了中国政府在协助人民取得保障性住房上的努
力，并强调了政府对居民租赁和买房上的支持政策，和公共部门以及私营企
业开展的住房建设工作。巴西的城市部全国住房秘书伊内斯·马卡良斯突出
介绍了巴西的两个住房项目——其中一个项目致力于全面改善城镇棚户区，
另一项目通过为家庭提供直接补助来协助其购买私营部门建设的住房。秘鲁
住房部长冯·埃塞介绍了秘鲁“我的住房基金”项目在其支持家庭购房、改善住
房条件中所扮演的角色和取得的创新，与马卡良斯讲到的巴西住房项目有着
异曲同工之妙。

第三场专题会议深入探讨了城市规划和发展中面临的问题。美国人类学家詹
尼斯·德尔曼分析了非正规住房“经久不衰”的现象以及它的经济和社会成
因，并申述了将“棚户区”纳入城市规划体系的必要性。中国社科院城市发展
与环境研究所所长魏后凯则指出了中国城市规划必须解决的难题——随
着新型城镇化规划的推进，将有一亿非正式移民涌向城镇，使城市密度上
升，同时城市的分布也有待改善。秘鲁“二十一世纪城市研究所”的基多·瓦
尔迪维亚则以战略眼光审视城镇化现象，并指出城市规划必须以提高秘鲁经
济的国际竞争力为前提来设计。

第四场专题会议重点研究了城镇发展和可持续性。中国社科院城市与竞争力
研究中心主任倪鹏飞确立了八个城市可持续竞争力的主要指标，并给每个指
标列举了一座中国城市作为参考。联合国居难民及加勒比地区主任埃尔
金·维拉斯凯斯指出，改善拉美城市的质量需要建立在合理模式和健全法规的
基础上，并通过可持续财务机制对城市空间的重新审视和改造。秘鲁建设、
住房、卫生部全国秘书长路易斯·塔格普则简述了秘鲁城镇化的近史，并提倡
采用可持续性的城镇化发展模式。

第五场专题会议深入探究了基建和创新。西安市统筹城乡发展工作领导小
组副组长高胜安介绍了古都的变迁，以及西安将历史和自然遗产保护与公交系
统和城市融资体制创新有机整合而取得的城镇发展上的成就。秘鲁城市建筑
师米盖尔·罗梅洛·索特罗探讨了秘鲁地域发展背景，讲述了秘鲁在拉美一
体化进程中的参与，以及近期利马市郊经历的转型。华为秘鲁公司总经理杨鹏则
畅谈了信息技术对加强联系、促进城市发展的作用。

中国社科院副院长李扬、秘鲁住房部部长冯·埃塞、泛美开发银行发展研究部
门总经理安娜玛利亚·罗德里格斯和秘鲁代表菲德尔·哈拉米略和中国驻秘鲁大
使黄敏慧等人出席了本届高端研讨会的开幕式，并倡导通过学术交流来丰富
和补充中国和秘鲁之间的经贸往来。中国社科院国际合作局局长王镭、泛美
开发银行财政和市政管理处处长比森特·弗雷特斯、秘鲁住房部副部长里卡多·
维达尔和中国人民银行金融研究所副所长温信祥等人出席了闭幕式，高度赞
扬了此次学术交流的重大意义，并倡导今后继续举办高端研讨会。泛美开发
银行也表示愿意支持此类学术交流，并将竭力为所有居民建设更加公平、可
持续的繁荣城市。
OPENING REMARKS
With its ongoing urbanization and entry into the rank of middle-income countries, China has become particularly interested in learning about Latin America’s experience of urbanization so as to avoid the effects of the “middle-income trap”. Since 2009, China has experienced an economic slowdown, indicating that its economy is moving from that of a structural “pick-up” phase to that of a structural “slowdown.” Accordingly, the Communist Party Central (CPC) Committee has issued the National New Urbanization Plan (2014-2020) that promotes Chinese urbanization as a way to boost domestic demand.

Over the past three decades, Chinese urbanization has made remarkable progress. Urban population has grown from 170 million in 1978 to 730 million in 2013, and the number of cities has increased from 193 to 658. From 2000 to 2012, access to tap water in urban areas increased from 64 percent to 97 percent and housing area per capita grew from 20 m$^2$ to 33 m$^2$. The urban areas of the Yangtze River Delta, Pearl River Delta, and Beijing-Tianjin-Hebei region account for 18 percent of China’s population and generate 36 percent of its gross domestic product.

Chinese urbanization, however, has focused more on speed than on quality. Disorderly urban expansion prevails. First, some regions place undue reliance on land sales and financing to propel construction, which increases the financial risk to local governments. Large-scale urban expansion consumes arable land and threatens the country’s food and ecological safety. Second, the rural-urban household registration system separates urbanization from that of citizenship. Approximately 234 million rural migrant workers—one third of the urban population—lack access to the same public services as their urban counterparts. Third, due to a resource allocation bias and to economies of scale, big cities are expanding too fast, while middle-size and small cities are dwindling in number and population. Fourth, the regional disparity of urbanization keeps widening, resulting in a gradual distribution pattern from East to West. The rural-urban income ratio has remained over three in the past decade. Finally, urbanization has incurred high resource and environmental costs, and water shortage problems and pollution are becoming increasingly acute.

Chinese urbanization will remain on the fast track for the next two decades, but it will gradually slow down. China’s predicted urbanization rate will reach 60 percent by 2020, 68 percent by 2030, and 75 percent by 2040. By then, China will have over 1 billion urban residents. To prevent that urbanization will push China into the “middle-income trap” through industrial obsolesce, environmental degradation, natural resource depletion, and social tension. China needs to prioritize urban quality by focusing on reforming these four issues.

First, the reform of household registration and its affiliated regimes needs to be stepped up. This includes adherence to orderly and voluntary household
registration, with the adoption of different residency policies for each city. By 2020, China will grant urban residency status to approximately 100 million urban migrant workers. By then, it will be able to count on a unified, people-oriented, household registration system that is based on residence and occupation at a specific place of residence. We will gradually abolish the social welfare regimes that are linked to household registration, ensuring that basic public services are also available to those rural migrants who do not hold a hukou (registration record). Furthermore, we will establish a social security system to ensure equal access to basic public services for rural and urban residents by 2020.

Second, the system of land reform will be strengthened to tackle disorderly urban expansion. In particular, the reform of the rural property rights system will be hastened to endow farmers the rights to tenure, use, revenue, ability to transfer land, and to mortgage and guarantee contracted land use. We need to build a market for construction for the areas that join urban and rural areas together, as well as allow rural, collectively-owned, and buildable land to be included in the market with the same entitlements and prices as state-owned land. Land should be able to be sold and demutualized in the first-tier market and be transferable and mortgageable in the second-tier market. Policies relating to land supply/use need to be implemented to combine incremental supply with inventory and an solid system for land conservation should be established. In addition, we need to improve the land requisition process by reducing and simplifying procedures.

Third, the innovation of financing mechanisms for urbanization needs to be boosted, since current land financing is unsustainable. China must reform its financial system and improve its local taxation and transfer payment processes. A transparent and standardized financing mechanism for urban construction should include bonds (program and municipal bonds guaranteed by local government revenues); social capital for the investment and operation of urban construction programs; and long-term credit from specialized institutions.

Fourth, the protection and conservation of the environment will be increased. The “five in one” concept from the 18th National Congress of the Communist Party of China will elevate the level of ecological progress to that of the economic, political, cultural, and social. We need to promote green, ecological, and low-carbon urbanization, and establish a national protection scheme of land. This could include payment for using resources, ecological compensation mechanisms, and strict environmental supervision.

New urbanization will propel China’s economic development in the coming years. The quality of its urbanization will determine the quality of China’s social and economic development. Learning from the experience of Latin American countries, we will continue to speed up the reforms to promote the transformation of Chinese urbanization to improve quality by placing people first.
The phenomenon of urbanization continues to occur, even though some theoreticians do not want it to. Who has not heard, at some point in time, that we must introduce policies to keep the rural population in rural areas? Whether we want it or not, the process of urbanization is unavoidable.

In the middle of the twentieth century, two thirds of the Peruvian population was rural and a third was urban. Today, it is the exact opposite. Lima has changed significantly at different times, in greater or lesser magnitude, and without urban planning, especially during the last decades. Peruvian cities have not only grown through a process of economic development and industrialization, as has occurred in China; it has also been due to internal violence. This terrorist violence has given way to massive waves of migration from the rural areas to the cities, where rural citizens have settled in urban areas that were not planned or are not conducive to urbanization.

In this Summit, we strive to promote healthier urban development. We seek to share the experiences from China and Latin America in relation to urban planning and the creation of urbanized land and social housing programs, among others.

The tradition of collaboration and exchange between China and Peru dates back many years; it is much older than the Chinese migrations during the second half of the nineteenth century. Archaeologists presume that this contact occurred way before the Spaniards had arrived on American soil. Some archaeological remains display various similarities between the symbols of Chinese culture and the pre-Hispanic cultures in Peru. Today, the influence of Chinese migrants in Peru is significant, from politics to culture and in terms of the private sector. For example, the recognition of Lima as an international gastronomic capital has been due, in part, to the positive influence of Chinese cuisine.

Let us hope that this Summit will teach us the culture of China, its tenacity, and its great expertise in planning, in order to enable us to improve the process of urban planning in Latin America and, especially, in Peru.
The trade-off between China and Latin America’s cities has come a long way. Since the twentieth century, a wave of Chinese immigrants, mainly Cantonese, arrived on this soil in search of opportunity. Other immigrants arrived as a result of World War II and the social upheavals that followed it. The Chinese presence in Latin America is evident in our cultures, from its cuisine and trade to the urban landscape. There are Chinese enclaves in many of the great cities of our continent, and the influence of remarkable personalities of Chinese ancestry has been made recognized in academia, the arts, business, and public service.

Our region has much to learn from the Chinese educational system, public and private cooperation, and national plans for urbanization. At the same time, China can draw important conclusions from the innovative solutions that we have generated in our region, such as social protection plans, urban transportation systems, urban upgrading programs, and many others. With regard to urban development, China is experiencing urban development at an unprecedented scale in our history. The National New Urbanization Plan 2014–2020 implies an estimated US$7 trillion investment in urban housing and infrastructure. This represents an enormous opportunity for Latin America. Firstly, because this massive investment translates into a continuing demand for the commodities our countries export; secondly, because urban development signifies an increase in the purchasing power of Chinese households. This will allow for the diversification of exports to include products of greater added value.

In order to strengthen and boost trade and investment relations, it is also necessary to exchange knowledge, which is this Summit’s main goal. The Inter-American Development Bank, with its long history of experience in urban development, has the expertise to facilitate this dialogue. Experience has taught us that knowledge is far more lasting than all riches and it is the basic foundation for us on which to build a society of the future. I am deeply convinced that this opportunity will pay off and will allow us to improve the quality of life for all residents in our cities.
In this Latin America and China Summit, the ones involved are those responsible for public policies relating to housing. These policies would make an impact on a trillion urban inhabitants: 270 million in Latin America and 730 million in China. Also, those who directly and indirectly have influence with regard to almost a quarter of the one hundred most populated cities in the world are also present.

Trade cooperation between China and Latin America has escalated quickly. Today, China is the first export destination for Brazil, Chile, and Peru, and it is due to the impressive Chinese urbanization driving its demand for commodities. In just 35 years, 560 million people—which accounts for almost the entire population of Latin America—have moved from rural areas to the cities. Urbanization is still on progress. In March 2014, Chinese authorities established the National New Urbanization Plan 2014–2020 to increase urbanization from 53 percent to 60 percent by 2020. This implies the addition of 100 million new inhabitants to China’s cities, equivalent today to the combined population of Bogota, Buenos Aires, Lima, Mexico City, Rio de Janeiro, Santiago, and São Paulo.

China and Latin America share their concern of the enormity of urban informality, housing deficit, improvement of the environmental sustainability and quality, and the prevention of the urban footprint in the rural areas. The IDB has more than five decades of research and project implementation experience relating to these issues, especially in terms of improving informal neighborhoods, recovering urban areas of heritage value, and promoting housing for low-income households. It also possesses a long history of facilitating dialogue between governments and among key public and private actors.

The best guarantee for a successful program to benefit the population is to generate a genuine understanding between political authorities, technical experts, and the community. This Summit contributes to this by conveying good ideas, with no concern for borders, and by boosting creative solutions to old problems.
This summit is extremely satisfying because it has opened new horizons for cooperation between China and Latin America—wider and stronger cooperation.

The main topic of this summit, urbanization, will contribute to guidance in relation to the modernization and healthy and sustainable development of our economies. Urban development is a very complex process that concerns several issues, such as economics, demographics, sociology, and the environment, among others. It can contribute to the achievement of harmonious, balanced, and inclusive development for our people.

All in all, urban development is just one issue. China—representing the largest developing country—and Latin America—a region that represents a good number of developing countries—are at a similar fork and face similar undertakings and challenges.

In this context, the strengthening of knowledge exchange and cooperation between China and the countries of Latin America is very important and beneficial. China gives utmost importance to this Summit, attended by an influential and representative audience. In addition to the excellent researchers from the Chinese Academy of Social Sciences—CASS—also attending are government officials who have played a part in our policymaking and in the solid work of urbanization, both at the national and local levels.

Even though we have benefited from urbanization—something that has triggered the economic development of our countries—it has also brought along new challenges. In this context, the sharing of knowledge, data, and standards will support our search for wider and better planning designs, more successful policies, and more appropriate solutions to the problems that have arisen as a result of urbanization.

Today, we have the capacity and the conditions to make urbanization an important driving force for economic growth in terms of improved quality, better performance, and environmental friendliness.
TRANSFORMING THE CITY THROUGH LAND USE POLICIES

LAND USE POLICY OF CHINA’S NEW URBANIZATION
Dong Zuoji, Director- General of the Land Planning Department, Ministry of Land and Resources, China

URBAN AND HOUSING POLICIES IN CHILE
Maria Paulina Saball Astaburuaga, Minister of Housing and Urbanism Chile

URBAN POLICY FOR THE USE AND MANAGEMENT OF LAND IN ECUADOR
Diego Esteban Aulestia Valencia, Minister of Urban Development and Housing, Ecuador

THE PLAN FOCUSES ON 5 ISSUES:

1. WHERE WILL PEOPLE GO?
2. WHERE WILL LAND BE FOUND?
3. WHAT RIGHTS HAVE THE VILLAGE COLLECTIVES?
4. WHERE WILL CITIES BE BUILT?
5. HOW TO RAISE FUNDING?

By 2020, 100 million rural migrants will be registered as part of the urban population. The rehabilitation of shanty towns and villages to accommodate this population will be more efficient compared to an expansion of the urban area. The promotion of intensive and compact urbanization will gradually increase population density and reduce the demand for land.

Financial mechanisms will be created to share basic urban infrastructure costs and reduce “land-based financing” practices.

Collectively-owned rural land will be regulated as state-owned land. Land expropriation will protect farmers’ rights over their own housing sites and provide social security for those affected by land expropriation.

There will be more medium and small cities within urban clusters, thus catalyzing the economic capacity of these clusters and protecting the environment.

LAND USE PROBLEMS IN CHINA:

The conversion rate from rural to urban areas is higher for land than for people. From 2000 to 2011, China’s urban, built-up area grew by 76.4 percent, while its urban population grew by 50.5 percent. Approximately 40 percent of urban area is underused. Imbalanced structure of urban land use. In 2010, industry in the Pearl River Delta and in the Yangtze River Delta accounted for 40 percent of total urban land, thus draining regional and environmental resources. Un Sustainable financing mechanisms. Local governments raise funds by transferring land use rights of farmland prior to urbanizing it. This practice exposes them to high financial risks and worsens social disruption. Binary structure for rural and urban land use. Laws regulating farmers’ land rights impede them from realizing the value of their land assets. The laws also delay urban citizenship for farmers residing in cities.
LAND USE POLICY OF CHINA’S NEW URBANIZATION

DONG ZUOJI
DIRECTOR GENERAL OF THE LAND PLANNING DEPARTMENT, MINISTRY OF LAND AND RESOURCES, CHINA


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IN THIS NEW PHASE OF CHINESE URBANIZATION, LAND USE REGULATIONS WILL HAVE FOUR MAIN FUNCTIONS:

1. **Strict control of the expansion of urban areas.**
   The majority of annual land use quotas will be allocated to the central and western regions and to non-industrial use.

2. **Promotion of the conservation of land resources.**
   Built-up areas should be kept at lower than 100 square meters per capita. Cities with more than 5 million residents will not be permitted to increase their built-up area.

3. **Stringent protection of cultivated farmland.**
   The total area and quality of cultivated land will be preserved to provide sufficient farmland to feed China’s population.

4. **Delineation of three urban areas.**
   An area will be kept as permanent farmland, another for ecological conservation, and another for urban development, thus restraining the urban sprawl.
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### The new phase of Chinese urbanization

**IN THIS NEW PHASE OF CHINESE URBANIZATION, LAND USE REGULATIONS WILL HAVE FOUR MAIN FUNCTIONS:**

1. **Urban and housing policies in Chile**

   **Maria Paulina Saball Astaburuaga**
   
   **Minister of Housing and Urbanism Chile**

   **The current challenge for Chile, in terms of urban development, is to resolve the inequality problem that has come about, despite the increase in prosperity.**

   **The housing shortage in Chile—almost one million housing units—is fundamentally qualitative and urban.** The shortfall has decreased from 780,000 to 495,000 in a decade. Urban inequities, however, persist.

   The current housing policy promotes the private construction of social housing, combining household savings with state subsidies.

   **THE POLICY OF DIRECT SUBSIDIES TO DEMAND DATES BACK TO 1978**

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<th>1978</th>
<th>1990</th>
<th>2000</th>
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<td>The role of the state as the builder of social housing ended.</td>
<td>Mortage Credits:</td>
<td>Spatial inequality in the city worsened:</td>
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<td>• From the state to the most vulnerable households.</td>
<td>• Rapid increase of urban land prices. Moreover, legislation enabled the building of social housing outside urban limits.</td>
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<td>• From the private sector to middle-income households.</td>
<td>• A segregated city came about in which the most vulnerable households are concentrated within peripheral areas.</td>
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State subsidies have been added to location and social integration in order to combat urban segregation; however, those mechanisms are rapidly absorbed by the market. Urban land is fundamentally private. The state owns almost a third of national territory, most of it located in rural areas and environmentally protected zones.

**IN CHILE, THE CONFLICT BETWEEN URBAN AND SOCIAL HOUSING POLICIES IS THE CENTRAL ISSUE IN TERMS OF PLANNING.**

According to the OECD, in 2013, Santiago and Temuco were the cities with the highest rates of inequality. This data reflects the lack of access to urban public goods by the most vulnerable citizens—those who are handicapped and are immigrants.

**THE NATIONAL POLICY FOR URBAN DEVELOPMENT AIMS TO GUARANTEE EQUITABLE ACCESS TO URBAN PUBLIC GOODS AND TO REVERSE SOCIAL SEGREGATION.**
Achieving those goals requires an adequate land policy and an alliance of the social, political, public, and private sectors.

We already have the policy initiatives and public investment to achieve equality within a city.

**POLICY INITIATIVES:**

1. **Establish** minimum standards of quality and public goods coverage for new housing projects.

2. **Introduce** a land law that guarantees urban growth and land for social housing with adequate public goods, in addition to environmental protection, energy efficiency, and the mitigation of seismic risk.

3. **Review** current urban regulations in accordance with these objectives.

**URBAN INVESTMENTS**

1. **Support for nonmotorized means of transport to alleviate urban congestion**

2. **“CHILE GREEN AREA”**
   A plan to promote the construction of parks and public spaces, particularly in districts [comunas] with less resources

3. **“I LOVE MY NEIGHBORHOOD”**
   A program to improve citizen participation and social identity, particularly in neighborhoods where there is social housing.
Ecuador is preparing a territorial and underground planning law, in order to overcome the current planning shortfalls.

5 URBAN DEFICITS THAT ECUADOR CONFRONTS:

1. DISORGANIZED AND LOW DENSITY URBAN GROWTH
   - Almost eight out of ten municipalities are registering growth outside their urban limits. Moreover, two of three municipalities have densities below 50 inhabitants per hectare.

2. URBAN INFORMALITY
   - More than 800,000 households, almost 3.5 million of a total population of 15 million, live in areas that lack adequate access to public services, in highly precarious housing units.

3. VACANT LAND IN CONSOLIDATED URBAN AREAS
   - The recent prosperity of the country has been accompanied by a tremendous, speculative increase in urban land values. The government promotes publicly owned land in order to generate social housing projects and deter speculation.

4. EXPOSURE TO ENVIRONMENTAL RISKS
   - Many settlements are located in areas that are highly prone to risks, such as flooding, heavy rain, and seismic activity.

5. INSUFFICIENT URBAN LAND VALUE CAPTURE
   - There is a void in the strategies to recuperate public investments that are made at all governmental levels. For example, only one of five municipalities has geo-referenced cadastres. A positive case to highlight is Cuenca, which has achieved one of the highest rates of per capita investment capture in Latin America.

Sample: districts (cantones) with 50,000 residents or more, excluding Guayaquil, Quito, and Cuenca
Source: BdE
ECUADOR VIEWS ITS POLITICAL ACTION AS A RESULT OF SEVERAL REVOLUTIONS. ONE OF WHICH IS THE URBAN REVOLUTION

The National Constitution, approved in 2008, incorporates the issue of a right to the city. It establishes that municipalities have exclusive control over land use and management, based on minimum standards established at the national level.

IT IS ALSO NECESSARY TO PROMOTE THE CONSOLIDATION OF CITIES AND CONTROL LAND SPECULATION

For this, we have proposed a series of taxable and nontaxable instruments that significantly achieve land value capture and enable the city to finance its own growth and provide for high quality public spaces. These issues need to be faced in order to secure a better life in the city.
ECUADOR VIEWS ITS POLITICAL ACTION AS A RESULT OF SEVERAL REVOLUTIONS, ONE OF WHICH IS THE URBAN REVOLUTION. It is also necessary to promote the consolidation of cities and control land speculation.

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CHINA'S GOVERNMENT PROMOTES A HEALTHY DEVELOPMENT OF ITS HOUSING MARKET AND ACCELERATES HOUSING CONSTRUCTION

Between 2008 and 2013, China provided housing solutions to 36 million urban families, and improved the quality of affordable housing units, as well as loaning and targeting mechanisms. By 2015, the Chinese Government will have built 36 million affordable housing units, achieving a 20 percent affordable housing rate. As the stock of housing continues to rise, China will gradually shift its policy from constructing affordable housing to providing financial subsidies.

AFFORDABLE HOUSING MODALITIES ARE:

1. **Low-Rent Housing (LR)**
   - Area: 50m²
   - Low-income families can rent a government-funded unit or receive a subsidy to rent in the market. The unit area is 50 square meters.

2. **Public Rental Housing (PR)**
   - Area: 40m²
   - Projects can be funded and built by governments or other organizations. Rents are lower than the market level. The unit area is 40 square meters.

3. **Economic Applicable Housing (EA)**
   - Area: 60m²
   - The Government provides land and tax subsidies and the market funds and builds the units. These are sold at a below-market price to low-income urban families. Units can be transferred five years after the acquisition date, but earnings are returned to the government. The unit area is 60 square meters.

4. **Price-restricted Commodity Housing (PC)**
   - Area: 90m²
   - These are for low-middle-income families in cities with high housing prices, and are priced lower than the market but higher than EA Housing. Earnings on the transference of units are passed to the government. Average units are less than 90 square meters.

5. **Shanty Town Renovation Housing**
   - These are dense residential areas with dilapidated housing stock, lacking basic infrastructure. Renovated units are for those already residing in these areas, most of whom are low-income families.
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The Central Government provides financing and supervision and establishes land, financial, and monetary policies for affordable housing. It also supplies the land, grants a tax relief for the construction and sale of affordable housing, and subsidizes LR, PR, and shanty town renovations. Additionally, it supports a housing fund for construction loans through financial institutions. Provincial governments take general responsibility for the execution, while county governments implement, plan, and design. Information disclosure mechanisms assure that affordable housing allocation is fair and transparent.

**Rapid urbanization has brought new challenges to housing.** The annual population growth exceeds 15 million and, as real estate prices in the cities keep rising, so do the number of families needing support for housing. Additionally, a large share of the existing housing stock is of subpar quality, built under the constraints of a lower development standard than China enjoys today. Mechanisms for developing affordable housing also need improvement.

The Government of China promotes healthy development of its housing market and accelerates housing construction.

**GOAL**

*TO INCREASE SUPPLY BY UPGRADING OVER 10 MILLION HOUSING UNITS IN SHANTY TOWNS, FROM 2013 TO 2017*

It will also expand financing options by encouraging social capital participation in affordable housing construction and operations. It is exploring the possibility of common property rights in housing, with pilot cases in some cities. Lastly, it is encouraging self-management and community engagement in the operation of housing programs.

**CHINA**

Views access to housing and the protection of residents’ housing rights as an issue of social justice and an important responsibility of the government.
Social housing through conditional transfers and education will decrease inequality and activate the economy.

In less than 50 years, Brazil has increased its rate of urbanization from 50 percent to 85 percent. Almost 200 million Brazilians live in cities. This speed has generated serious challenges in terms of planning, equality, and the governance of our cities. The housing shortage affects 6.8 million households, of which 5.8 million reside in urban areas where, often, two families share one housing unit. Infrastructural deficit is also important, as 13 million housing units lack drainage or tap water.

Brazil has reformed its legal and institutional framework to face these challenges. In 2003, it established the Ministry of Cities, responsible for housing, sanitation, and urban mobility at the national level, and planning entities at the municipal level. This has created a dialogue relating to urban issues throughout the entire country. Furthermore, Brazil has implemented a national policy to address the urbanization of its favelas (slums), housing investment, and land tenure regularization.

Almost 2 million families have benefitted from that program, most of which are located in large cities. The total investment is approximately US$21 billion.

The program, My House, My Life (in Portuguese, Minha Casa, Minha Vida (MCMV) addresses social housing. Between 2009 and 2014, the program received US$100 billion for 1.7 million housing units. In 2013 alone, it generated 1.4 million jobs. The national government buys housing projects from the private sector, while the municipalities identify the demand. There is a mechanism to address nongovernmental organizations and another for rural families. In large cities, where land is very expensive, the great challenge is to locate land for the housing units. As a result, the Master Plan of São Paulo has increased the areas assigned for social housing. In small municipalities, the challenge is the responsibility of local government. Thus, MCMV favors local construction companies and banks.
MAIN ACHIEVEMENTS OF THE HOUSING POLICY

INCREASE OF INVESTMENTS

MASS SCALE PRODUCTION OF SOCIAL HOUSING

TARGETING ON LOW INCOME HOUSEHOLDS

LEGAL AND REGULATORY FRAMEWORK

HOUSING CHALLENGES AND POLICY TOOLS IN PERU

MILTON VON HESSE DE LA SERNA
MINISTER OF HOUSING, CONSTRUCTION, AND SANITATION, PERU

Our actions aim to improve housing conditions for all, and to establish examples of management and urban development that restore urban planning in Peru.

Historically, Peru had an urban planning practice until 1970, when rural migration was accompanied by national economic development. In 1980, however, when internal violence resulted in a migratory wave of migrants to the cities, planning ceased and it was replaced by informal urbanization, which prevails. Rural communities suddenly shifted to peri-urban zones, and houses were built on sand with inadequate materials and techniques.

This migratory process gave way to the substantial decrease in the quality of housing in Peru, affecting one million housing units, and almost triplicating the quantitative shortfall. The latter issue has increased the vulnerability of housing units to seismic activity and to the natural disasters that affect the main Peruvian cities.

The state contributed an allowance to those who pay their debts and it promoted social housing projects. Currently, financing mechanisms of MiVivienda has become more flexible and has increased its support for housing improvement and the purchase of plots, among others. Moreover, the state provides a Family Housing Subsidy for those of lower income households. This subsidy assists in the purchase of a basic housing module that can be subsequently improved.

Another important topic is the legal tenure of housing, for which the Ministry has land title programs. Furthermore, a new law was passed recently to allow the rapid eviction of invaders of public or private property—often organized land dealers.

In 2013, housing units built with the support of MCMV represented 1.7 percent of the yearly contribution on the formal market for families with an income up to US$2,250. From 2015 to 2018, 3 million units will be built. The location and maintenance of housing units is a main challenge for the new stage, in addition to the lowering of production costs and an improvement in housing sustainability from a social and environmental point of view. These spaces are socially vulnerable to an extreme and, in order to prevent this, we need to work with the municipalities so that families can integrate better.

In 2014, it launched a pilot project, the Structural Strengthening Subsidy, at 100 million Soles (approximately US$35 million) to subsidize the structural improvement of those houses that have been self-built and are precarious. The improvements will provide a safe shelter to families in case of strong earthquakes.

MCMV ESTABLISHES THREE CATEGORIES OF HOUSEHOLD INCOME:

1. Up to US$720, whereby households pay 5 percent of their income over ten years; this category represents 53 percent of delivered units.

2. From US$720 to US$1,475, with finance from a fund that pools a compulsory deduction from wages, varying according to state; this category represents 42 percent of delivered units.

3. From US$1,475 to US$2,250, whereby the Brazilian Government provides funding at a preferential interest rate; this category represents 5 percent of delivered units.

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Historically, Peru had an urban planning practice until 1970, when rural migration was accompanied by national economic development. In 1980, however, when internal violence resulted in a migratory wave of migrants to the cities, planning ceased and it was replaced by informal urbanization, which prevails. Rural communities suddenly shifted to peri-urban zones, and houses were built on sand with inadequate materials and techniques.

This migratory process gave way to the substantial decrease in the quality of housing in Peru, affecting one million housing units, and almost tripling the quantitative shortfall.

The latter issue has increased the vulnerability of housing units to seismic activity and to the natural disasters that affect the main Peruvian cities.

The state contributed an allowance those who pay their debts and it promoted social housing projects. Currently, financing mechanisms of MiVivienda has become more flexible and has increased its support for housing improvement and the purchase of plots, among others. Moreover, the state provides a Family Housing Subsidy for those of lower income households. This subsidy assists in the purchase of a basic housing module that can be subsequently improved.

The Ministry of Housing, Construction and Sanitation is also supporting programs for reducing the environmental vulnerability of housing units. In 2014, it launched a pilot project, the Structural Strengthening Subsidy, at 100 million Soles (approximately US$35 million) to subsidize the structural improvement of those houses that have been self-built and are precarious. The improvements will provide a safe shelter to families in case of strong earthquakes.

Another important topic is the Legal Tenure of Housing, for which the Ministry has land title programs. Furthermore, a new law was passed recently to allow the rapid eviction of invaders of public or private property—often organized land dealers.
Simultaneously, we are working on a policy to transfer public land that can be urbanized to the MiVivienda fund, in order to develop social housing. Moreover, given the increase in urban land values, degraded urban zones are being revitalized and real estate projects in public plots with services are being developed. Today, more than 108 hectares have been dedicated to social housing projects.

The urbanization that migrant invasions create usually result in a lack of green areas, public spaces, streets, and sidewalks. The Ministry, therefore, supports a Program to Upgrade Slums in Their Entirety, providing municipalities non-reimbursable public funds to urbanize them. In the first half of 2014 alone, 600 million Soles (US$210 millions) were earmarked to improve over 100 slums.

Finally, to face the challenge of unplanned and disordered urban growth the Ministry launched the Our Cities program.

### Important Projects Developed by the Ministry

1. **OLMOS**, a new model city of almost 40 thousand hectares in the desert for the export of agriculture.

2. **PISCO**, which is being redeveloped as a modern city after it suffered a very strong earthquake.

3. **Belen in the Amazon**, the re-location of a precarious slum on the banks of an unhealthy river to a planned development.

These actions aim to improve housing conditions for all and establish examples of management and urban development that can restore Peru’s urban planning.
URBAN PLANNING AND DEVELOPMENT

URBANIZATION, INFORMALITY, AND DEVELOPMENT
Janice Pertman, Author and Founder of Mega-Cities Project

THE FOUR CHALLENGES OF CHINESE URBANIZATION
Wei Houkai, Deputy Director-General of the Institute for Urban and Environmental Studies, Chinese Academy of Social Sciences

COMPETITIVENESS OF PERUVIAN CITIES
Guido Javier Valdivia Rodríguez, Executive Director, Cities Century XXI Institute, Ricardo Palma University, Peru
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AUTHOR AND FOUNDER OF MEGA-CITIES PROJECT

CHINA AND LATIN AMERICA ARE THE WORLD LEADERS IN THE URBANIZATION PROCESS

TODAY 2030 2050

THE URBANIZATION, INFORMALITY, AND DEVELOPMENT FUTURE

There will be 19 cities with have 20 million people or more by the end of the twenty-first century. Furthermore, the urban population growth in the next 30 years will concentrate in developing countries at a pace of 70 million people a year. The number of new houses per hour will be 400,000, which are needed to lodge these new households. Probably, the majority of these housing units will be built by the informal sector. In 2050, this sector will be the one providing services to one of three urban people in the world. The challenge for us is to create cities that are competitive, but also inclusive for all of its population.

GLOBALIZATION AND URBANIZATION TRENDS.

China and Latin America are the world leaders in the urbanization process. The first ten mega-cities of today include three cities in Latin America: Mexico City, São Paulo, and Buenos Aires; however, in twenty years from now, the center of urbanization will move towards the East, and the most populated cities will be in Asia.

THE CITIES OF THE FUTURE.

We must avoid the development of ghost cities: beautiful investments that are discarded because they are too expensive for those who need them, or because they are located in places that do not serve those who can afford them. This is the new challenge: green and dense cities. Some of the examples of dense urbanization are constructed by the informal sector. For example, the favelas in Rio de Janeiro, Brazil, concentrate 125,000 people per square kilometer, whereas the density of New York City is 67,000 people per square kilometer.

THE PERSISTANCE OF THE URBAN INFORMALITY.

In the case of the favelas in Brazil, in the last 30 years they have improved in terms of fundamental aspects, such as the quality of housing, access to services, infrastructure, and the level of education of the population. Nevertheless, the income gap between the formal population and the one that resides in favelas persists, even when we consider equal level of education. This is a crucial problem for the present and future generations.
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THE URBANIZATION, INFORMALITY, AND DEVELOPMENT

JANICE PERLMAN
AUTHOR AND FOUNDER OF MEGA-CITIES PROJECT

CHINA AND LATIN AMERICA ARE THE WORLD LEADERS IN THE URBANIZATION PROCESS
WE AIM FOR GREEN AND DENSE CITIES!

5 BASIC PRINCIPLES FOR PLANNING

1. Create circular and nonlinear systems, ecological processes.
2. Take care of poverty as the only way to create a sustainable urban system (water pollution cannot be avoided if there are no basic services).
3. Include civil society to take care of the environment and to improve society.
4. Increase local results by way of the dissemination and exchanges of knowledge between cities.
5. Adopt incentive mechanisms to obtain the urban transformations we want.

WEI HOUKAI DEPUTY DIRECTOR-GENERAL OF THE INSTITUTE FOR URBAN AND ENVIRONMENTAL STUDIES, CHINESE ACADEMY OF SOCIAL SCIENCES

IN THE LAST DECADE THE CONSUMPTION OF NATURAL RESOURCES IN CHINA, INCREASED ALMOST 4 TIMES FASTER THAN ITS URBAN POPULATION

THE FOUR CHALLENGES OF CHINESE URBANIZATION

URBANIZATION DRIVES CHINESE ECONOMIC DEVELOPMENT. A one-percentage point increase in China’s urbanization rate is equal to 10 million Chinese farmers migrating from rural to urban areas. Considering that approximately 100,000 RMB in investment is added for each additional urban resident, and that the average consumption of an urban resident is 2.8 times higher than that of a rural one, urbanization, therefore, creates a tremendous stimulus to the economy.

URBANIZATION HAS AN UNEVEN GEOGRAPHY. There are 15 major urban clusters in China, including the Yangtze River Delta, Pearl River Delta, and Beijing-Tianjin-Hebei region. These 15 clusters account for half of all cities and for half of all urban population, and contribute to 80 percent of China’s gross domestic product. Urbanization rates are much higher in the eastern and northeastern regions of China. From 1978 until 2010, the gap in the urbanization rate between the East and the West widened from 2 percent to 18 percent. Recently, this gap has begun to shrink, given that the pace of urbanization has decelerated in the East and has accelerated in other regions.

CHINA’S ACCELERATED URBANIZATION. China’s rapid urbanization—which grew from 18 percent to 54 percent in three decades—was crucial for sustaining economic growth and reducing rural poverty. Since 1979 until recently, China’s average annual GDP growth rate was 9.8 percent and since 1990, more than 510 million Chinese people have shifted out of poverty. In 1980, China’s urbanization was only 20 percent, 20 percentage points lower than the world’s average. The world took 50 years to increase its urbanization rate from 30 percent to 50 percent, while China has achieved the same in only 15 years. By 2050, China’s urbanization rate will have exceeded 80 percent, reaching the same level as Latin America today.
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MAIN INDICATORS OF THE NATIONAL NEW URBANIZATION

<table>
<thead>
<tr>
<th>Indicators</th>
<th>2012</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>URBANIZATION RATE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residents population urbanization rate</td>
<td>53%</td>
<td>60%</td>
</tr>
<tr>
<td>Native household population urbanization rate</td>
<td>35%</td>
<td>45%</td>
</tr>
<tr>
<td>BASIC PUBLIC SERVICE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compulsory education proportion of migrant workers' children</td>
<td></td>
<td>99%</td>
</tr>
<tr>
<td>Free basic vocational skills training coverage of urban unemployed, migrant workers and new workforce</td>
<td></td>
<td>95%</td>
</tr>
<tr>
<td>Basic pension insurance coverage of urban resident population</td>
<td>67%</td>
<td>90%</td>
</tr>
<tr>
<td>Basic medical insurance coverage of urban resident population</td>
<td>95%</td>
<td>98%</td>
</tr>
<tr>
<td>Affordable housing coverage of urban resident population</td>
<td>13%</td>
<td>23%</td>
</tr>
<tr>
<td>INFRASTRUCTURE</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proportion of public transport in total motorized travel of cities (more than 1 million persons)</td>
<td>45%</td>
<td>60%</td>
</tr>
<tr>
<td>The coverage of urban public water supply</td>
<td>82%</td>
<td>90%</td>
</tr>
<tr>
<td>Urban sewage treatment rate</td>
<td>87%</td>
<td>95%</td>
</tr>
<tr>
<td>City life garbage treatment rate</td>
<td>4%</td>
<td>50%</td>
</tr>
<tr>
<td>Urban household broadband access [Mbps]</td>
<td>73</td>
<td>105</td>
</tr>
<tr>
<td>The coverage of urban community comprehensive service facilities</td>
<td>85%</td>
<td>95%</td>
</tr>
<tr>
<td>RESOURCES AND ENVIRONMENT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Urban construction (m² / per capita)</td>
<td></td>
<td>100 max</td>
</tr>
<tr>
<td>Urban renewal energy consumption ratio</td>
<td>9%</td>
<td>13%</td>
</tr>
<tr>
<td>Urban green building ratio</td>
<td>2%</td>
<td>50%</td>
</tr>
<tr>
<td>Urban green land ratio</td>
<td>36%</td>
<td>39%</td>
</tr>
<tr>
<td>The ratio of urban air quality up to the national standards</td>
<td>41%</td>
<td>60%</td>
</tr>
</tbody>
</table>
China’s urbanization has entered a new stage. By 2020, China will rely on a new urbanization index system. It will also promote a polycentric, planned, efficient, and national urban-size hierarchical structure. By then, 100 million rural migrants will acquire urban citizenship, 100 million residents will enjoy updated dwellings, and 100 million people will become new urban residents in western China. In this new stage, China will be able to demonstrate people-oriented, intensive, and low-carbon emission urbanization.

1. **Unsustainable growth.** From 2001 to 2008, China’s consumption of natural resources grew almost four times faster than its urban population. Urban density declined from 8,500 people per square kilometer to 7,300 people per square kilometer, thus covering 4,280,000 acres of arable land, and consuming 40 percent of the world’s production of coal, steel, copper, lead, and iron ore. Pollution is rapidly approaching the maximum capacity of the environment.

2. **Imbalanced development.** Mega-cities expand too rapidly—at a 126 percent growth rate—while the size of the population in medium and small cities keeps dwindling. Sixty percent of new urban residents are in the megacities.

3. **Slow urban citizenship systems.** In 2012, China’s urbanization rate by native hukou was only 35 percent, 17 percentage points lower than the urbanization rate calculated by the number of people residing in cities. This indicates that 234 million people—about a third of the total urban population—lack proper access to urban services.

4. **Disregard for local heritages.** In the search for quick results, China’s urban architecture has been poorly constructed and monotonously designed. Its urban layouts have disregarded the richness of traditional culture and landmarks. The copycat building from foreign architecture has denied cities of their rich local identity.

The four challenges facing Chinese urbanization:

- **1/3 OF THE TOTAL URBAN POPULATION LACKS ACCESS TO ADEQUATE URBAN SERVICES**
- **60% OF THE NEW URBAN RESIDENTS MOVE TO MEGACITIES**
- **ITS URBAN LAYOUTS DISREGARD THE RICHNESS OF TRADITIONAL CULTURE AND LANDMARKS**
- **CHINA’S URBANIZATION HAS ENTERED A NEW STAGE.**

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Of Traditional Culture and Landmarks

Its Urban Layouts Disregard the Richness

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The Four Challenges Facing Chinese Urbanization:

60% of the new urban residents move to megacities

COMPETITIVENESS OF PERUVIAN CITIES

Guido Javier Valdivia Rodríguez

Executive Director, Cities Century XXI Institute, Ricardo Palma University, Peru

To be competitive, it is necessary to look for singularity in a global world.

Peru has the possibility of standing out globally in five industries: nutritional, by including the highest quality of cuisine in its food industry; medicinal, by depending on its culture of natural medicines; textile, by enhancing organic weaves and dyes; forestry, by preserving our forests; and construction, based on our tradition of quality construction and having 84 of the planet’s 104 ecological floors for the testing of construction materials.

5 Industries

Nutritional
Medicinal
Textile
Forestry
Construction

National Industrialization and Urban Development Plans Must Be Linked. We must generate industrial cities near Lima, where half of the population resides. We need a national urban development plan within the industrial plan, so that the waves of migration can shift to where there is work and where there are the best opportunities for development.

Shortage of Housing. Peru has a quantitative housing shortage [households in precarious or shared housing] of 400,000 units and a qualitative deficit [households which are overcrowded, are not serviced, or lack legal titles] of 1.4 million units. In the next twenty years, 2.4 million new homes will be constructed in Peru, of which at least half will be located in Lima. Integrating these households and creating a competitive solution is a great challenge for the planning and management of public services, territory, and means for financing.

In the Next 20 Years, in Peru 2.4 Millones New Homes Will Be Constructed

Institutionality. We need a metropolitan planning entity that can promote and guide investment. We must support the substantial endeavors of re-urbanizing areas. In Lima, there are more than 7,000 hectares in the southern area and 8,000 hectares in the northern area that will require urban services within the next 20 years.

Sustainable Competitiveness. We must boost the production of the most lucrative areas in our cities and seek efficient and transparent means to have this wealth available for the less developed areas.
SUSTAINABILITY AND URBAN GROWTH

CHINA’S IDEAL CITIES
Ni Pengfei, Director, Center for City and Competitiveness, Chinese Academy of Social Sciences

KEYS TO SUSTAINABLE URBAN INTERVENTIONS
Elkin Velásquez Monsalve, Head, Regional Office for Latin America and the Caribbean, UN-Habitat

URBAN PLANNING IN PERU
Luis Obdulio Tagle Pizarro, National Director of Urbanization, Ministry of Housing, Construction, and Sanitation, Peru
NI PENGFEI
DIRECTOR, CENTER FOR CITY AND COMPETITIVENESS, CHINESE ACADEMY OF SOCIAL SCIENCES

CHINESE CITIES COMPETE FIERCELY TO CAPTURE INVESTMENTS, BUT IN AN UNSUSTAINABLE WAY

CHINA'S IDEAL CITIES

DEFINITIONS.
Sustainable competitiveness is the ability of a city to systematically optimize its offering to meet the demands of residents and investors. An ideal city would be one that achieves exemplary scores in 68 objective indicators to inform 28 different dimensions, in which are based eight principal indicators. These are quality of life, entrepreneurship, inclusiveness, environment, innovation, urban-rural integration, connectivity, and culture.

Chinese cities compete fiercely to capture investments in an unsustainable way. We propose a model for an ideal city to achieve suitable levels of competition.

METHODOLOGY.
The 68 objective indicators are measured in different units. To integrate them into the eight principal indicators, we use a multi-step methodology, based on standardization, indexation, and threshold value methods. Standardization is the ratio of the difference between the original data and the mean value to the variance. Indexation is the ratio of the original value to the maximum value. Threshold value is the ratio of the difference between the original value and the minimum value of the sample to the difference between the maximum value and the minimum value of the sample.

Our results show that, in general, cities score low in livability, inclusiveness, and environmental sustainability. Transformation is also needed to promote more business-friendly environments. Most seriously, the process of rural-urban integration is way overdue. The New National Plan for Urbanization will contribute to improve these issues by supporting green development, reforming the current urban citizenship systems, promoting scientific innovation, and improving transportation and infrastructure in smaller cities.
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**IDEAL CITY**

**IDEAL CITY**

- Life Quality
- Entrepreneurship
- Inclusiveness
- Environment
- Innovation
- Rural-Urban Integration
- Connectivity
- Diversity

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**SUSTAINABLE COMPETITIVENESS IN CHINA:**

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## Indicators for China’s Ideal City

<table>
<thead>
<tr>
<th>Principal Indicators</th>
<th>Principal Indicators</th>
<th>Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>LIFE QUALITY:</strong></td>
<td>Zhongshan</td>
<td>Population quality</td>
</tr>
<tr>
<td>City for people</td>
<td></td>
<td>Population living standard</td>
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<tr>
<td></td>
<td></td>
<td>Government investment</td>
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<tr>
<td></td>
<td></td>
<td>Climate and environment</td>
</tr>
<tr>
<td><strong>ENTREPRENEURSHIP:</strong></td>
<td>Guangzhou</td>
<td>Business performance</td>
</tr>
<tr>
<td>City for business</td>
<td></td>
<td>Government services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Social services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Market demand</td>
</tr>
<tr>
<td><strong>INCLUSIVENESS:</strong></td>
<td>Macao</td>
<td>Governance</td>
</tr>
<tr>
<td>City of equality</td>
<td></td>
<td>Social equity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Social security</td>
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<tr>
<td></td>
<td></td>
<td>Public safety</td>
</tr>
<tr>
<td><strong>ENVIRONMENT:</strong></td>
<td>Nanchang</td>
<td>Preservation of natural resources</td>
</tr>
<tr>
<td>Eco-city</td>
<td></td>
<td>Environmental protection</td>
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<td></td>
<td></td>
<td>Ecology</td>
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<tr>
<td><strong>INNOVATION:</strong></td>
<td>Beijing</td>
<td>Knowledge demand</td>
</tr>
<tr>
<td>City for the intellect</td>
<td></td>
<td>Knowledge investment</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Knowledge production</td>
</tr>
<tr>
<td><strong>INTEGRATION:</strong></td>
<td>Cuzhou</td>
<td>Income</td>
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<tr>
<td>Urban-rural city</td>
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<td>Public services</td>
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<td></td>
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<td>Community services</td>
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<td></td>
<td></td>
<td>Urban rural transformation</td>
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<tr>
<td><strong>CONNECTIVITY:</strong></td>
<td>Shanghai</td>
<td>Communication</td>
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<tr>
<td>City for connections</td>
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<td>Information</td>
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<tr>
<td></td>
<td></td>
<td>Transport and logistics</td>
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<td>International commerce</td>
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<td><strong>DIVERSITY:</strong></td>
<td>Nanjing</td>
<td>Commercial openness</td>
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<td>City for culture</td>
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<td>Cultural openness</td>
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<td></td>
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<td>Local culture</td>
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### Policy Recommendations

To improve the current indicators, we suggest the following for national development:

1. **Balance between economic and social development policies.** That is, improve the coordination between urban and industrial policies; service and manufacture sectors; urban and rural areas; and urbanization and the environment.

2. **Integrated urban-rural development.** This would include a renewal of public institutions and support for active nongovernment organizations and urban communities.

3. **Institutionalized development.** Establish institutions that will ensure fiscal sustainability, improve social security, and manage land and household registration systems.

4. **Sustainable urban competitiveness.** Establish long-term mechanisms to improve urban competitiveness, including the adjustment of tax levels, land use, and fiscal subsidies.
THE PENDING DEBT OF URBANIZATION. Urbanization is positively correlated with economic growth, improvement of the human development index, poverty reduction, and increase in the satisfaction of basic needs. The urban added value, however, remains an outstanding debt in Latin America. Our cities do not have good quality of life, design, or sustainability. We are not yet building good cities.

URBANIZATION IN LATIN AMERICA AND ASIA. Latin America has already been through an urban transition, and while China’s urbanization is growing rapidly, by 2050, our urbanization rates will be similar. In Asia there is much to construct, whereas in Latin America, it is necessary to revisit what already has been built. The key words all begin with the letters RE: urban redevelopment, urban renovation, revitalization—all with the letters RE. The first urban problem in Latin America is inequality, which is distinctive by the shape of the city.

THE THREE PILLARS FOR SUCCESSFUL URBAN EXPERIENCES: Good design, sustainable financial models, and good regulations. These pillars are added to the basic ones for everything: respect for human rights, gender equality, inclusion of young people, and citizen participation.
THE 6 CRITERIA FOR A GOOD URBAN PLAN ARE:

1. Plan in advance, anticipate future needs.
2. Plan on the scale of an expected population growth.
3. Plan in stages, with a plan that will allow for adjustments for future change.
4. Foster population density.
5. Use economic and natural resources in an efficient way.
6. Promote a system of cities at the national level.

THE 6 PRINCIPLES FOR URBAN INTERVENTIONS OF QUALITY ARE:

1. Leave suitable space for streets and public spaces by occupying half of the available soil.
2. Include the residents in terms of renovation, regeneration, and the recovery of informal districts or degraded urban spaces.
3. Propose mixed land use, avoiding zoning practices that are inefficient and segregate cities by function.
4. Promote social diversity through the creative use of traditional instruments, for example, supporting affordable rental housing.
5. Boost the compact city concept by avoiding subsidies to expand urban areas.
6. Limit the use of soil specialization.

TRIGGERING URBAN CHANGE. Our main tasks and responsibilities are to catalyze considerable changes in inequality, insecurity, environmental vulnerability, and urban congestion. A task is also to provide answers to the increasing middle-class who are demanding a better city.

As the Secretary-General of the United Nations, Ban Ki-Moon, said, “Our struggle for global sustainability will be won or lost in our cities.”
Since 1950, Lima has had large numbers of rural immigrants. It has done so, however, with an obsolete metropolitan planning process that dates from 1930. Urban population has increased from migrant invasions of areas that were vulnerable or lacked services, and has resulted in tremendous demand on the state. In the 1970s, the responsibility of territory planning was transferred to the municipalities, limiting the state’s capacity to establish a territorial policy. In the 1980s, when terrorism was prevalent, territorial planning was dropped from the public agenda.

Once the institutions that were dedicated to planning had been dismantled and national planning policies were established, which continued throughout the three subsequent governments. The housing shortage was addressed when it had reached almost two million units, of which 70 percent lacked services and property titles and were overcrowded. The state then implemented a policy for entitlement, followed by a policy for the upgrading of slums in order to significantly reduce the housing shortage.

The current challenge of the Ministry of Housing is to design an urbanization model that can reverse the trend and to promote an urbanization model for the entire country.

The institutional planning landscape also has been improved to reinforce the coordination between 1,800 municipalities, the provinces, and the central government. We are working to establish the future of cities and where to target investment.

In spite of our achievements, informality and urban growth from migration waves persist. In 2006, we carried out a survey of human settlements which registered more than 7,500 informal settlements. In 2012, a second survey identified over 10,000 informal settlements.

The current challenge of the Ministry of Housing is to design a management model that can reverse the trend and to promote an urbanization model for the entire country.

THE INSTITUTIONAL PLANNING LANDSCAPE ALSO HAS BEEN IMPROVED TO REINFORCE THE COORDINATION BETWEEN 1,800 MUNICIPALITIES, THE PROVINCES, AND THE CENTRAL GOVERNMENT
URBAN INFRASTRUCTURE AND INNOVATION

THE CONSTRUCTION OF XI’AN MUNICIPAL INFRASTRUCTURE
Gao Shengan, Director-General Adjunto, Comisión de Desarrollo Urbano-Rural del Municipio de Xi’an, China

THE SOCIETY, THE CITY AND THE TERRITORY OF PERU
Miguel Eugenio Romero Sotelo, Dean of the Faculty of Architecture, Urban Development and Territory, Universidad San Ignacio de Loyola, Peru

HARDWARE AND SOFTWARE FOR URBAN DEVELOPMENT
Yang Peng, General Manager, Huawei del Peru S.A.C.
GAO SHENG'AN
DEPUTY DIRECTOR-GENERAL, XI'AN MUNICIPAL COMMISSION OF URBAN-RURAL DEVELOPMENT, CHINA

XI'AN IS ENTERING A NEW STAGE, IN WHICH IT WILL BECOME AN INTERNATIONAL METROPOLIS WITH HISTORICAL AND CULTURAL CHARACTERISTICS

The construction of Xi'an municipal infrastructure

Since its establishment in the twelfth century BC, Xi'an had been China's political, economic, and cultural center. It is home to one of the Eight Wonders of the World, the Qin Terracotta Warriors and Horses, and part of the historical Great Wall of China. In 1981, UNESCO identified Xi'an as a World Historic City.

Today, Xi'an is the largest city along the Yellow River basin, an important center for scientific research, higher education, national defense, and high-tech industry. In recent years, Xi'an has added approximately 600 square kilometers to its area, while protecting the quality of its urban environment. It has successively won the titles of Chinese Clean City, Civilized City, and Garden City.

Xi'an has achieved this by focusing on the development of seven critical aspects:

1. Urban transportation. The city has two subway lines, a third ring road, an elevated road and an airport. Road area per capita is 15.4 square meters.
2. Basic urban services. The coverage rate of water was raised to 99.7% and of gas to 97%.
3. Natural resources. The Qingling Zhongnan Mountain World Geological Park is a protected area and the green area per capita rate was increased to 10.4 square meters.
4. Historical Heritage. The city has revitalized the area of the Eight Rivers Winding Around Chang'an and unique historical landmarks, including the Datang Lotus Garden.
5. Small Towns. Characteristic towns and small villages have been built to preserve rural urban balance.
6. Urban upgrading. 120 urban villages, 30 shanty towns, and a number of farmers' markets and tourist attractions in the old city have been revitalized.
7. Financial system. Xi'an has established a diversified, multi-channel, urban financing platform. Urban investment has increased from 1.35 billion RMB in 2000 to 35.2 billion RMB in 2014.
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**XI’AN HAS WON THE FOLLOWING TITLES**

- **Chinese Clean City**
- **Civilized City**
- **Garden City**

**XI’AN HAS ACHIEVED THIS BY FOCUSING ON THE DEVELOPMENT OF SEVEN CRITICAL ASPECTS:**

1. **Urban transportation.** The city has two subway lines, a third ring road, an elevated road and an airport. Road area per capita is 15.4 square meters.

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Xi’an is entering a new phase in which it will become an international metropolis with historical and cultural characteristics. In the next five years, it aims to achieve an urbanization rate of 75 percent, with 18 square meters of road per capita, 100 percent coverage of water and gas services, and 13 square meters of green park area per capita, among other goals.

**In the next 5 years, it aims to achieve**

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<tr>
<th>Project</th>
<th>Goal Description</th>
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<tr>
<td>URBAN TRANSPORTATION</td>
<td>Promote &quot;one city with multiple centers&quot;, based on public transport-oriented development.</td>
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<tr>
<td>REGIONAL TRANSPORTATION</td>
<td>Expand the international airport and public and multimodel transportation network, and build an intercity railway and rapid transit bus network.</td>
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<tr>
<td>NATURAL RESOURCES</td>
<td>Promote an ecological and livable urban environment that is based on Xi’an’s ancient structure, a symbiosis of hill, water, city and farmland.</td>
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<tr>
<td>HISTORICAL HERITAGE</td>
<td>Include and preserve ancient architecture and natural resources, with a view to harmonizing the old with the new city.</td>
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<td>SMALL TOWNS</td>
<td>Promote the integration of urban and rural construction, providing high quality infrastructure for rural villages and increasing the county urbanization rate to 40%.</td>
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<tr>
<td>IMPROVED HOUSING QUALITY</td>
<td>Build a supply of affordable housing with 31.6 square meters of area per capita and strengthen the controls on housing quality and supply.</td>
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**Ancient and Beautiful Xi’an is also a City of Beauty and Modernity**
Xi’an is entering a new phase in which it will become an international metropolis with historical and cultural characteristics. In the next five years, it aims to achieve an urbanization rate of 75 percent, with 18 square meters of road per capita, 100 percent coverage of water and gas services, and 13 square meters of green park area per capita, among other goals.

THE HISTORICAL DEVELOPMENT OF THE TERRITORY. Peru has at its root an Inca territory that extended over six countries: Colombia, Ecuador, Peru, Chile, Argentina and Bolivia. The cities of the coast and the Andes include Pasco, Quito, Santiago, and Lima. It is extremely important for us Latin American leaders to see from this a vision for the future. During the republican era, the infrastructure started in the Amazon and then emerged in the city of Moyobamba (Department of San Martin) and in Tarapoto and Huánuco.

PERU TODAY. Peru is part of the Pacific Alliance, which includes Chile, Colombia, and Mexico. The importance of trade, culture, and investment relations in the Pacific region in relation to the People’s Republic of China is significant. For example, in terms of mining, there is an impressive development in the Estrata zone in Apurimac—an investment of almost US$5.5 million. In addition, Peru has two of the ten hubs of the Initiative for the Integration of the Regional Infrastructure of South America (IIIRSA). One of these IIIRSA hubs extends to the city of Piura, which has a port on the Pacific Ocean, and the hub itself includes 14 cities with a total of 600,000 inhabitants. It is here that the mining, tourist development, and infrastructure megaprojects are located. We proposed the development of 16 cities in Peru that is in progress and the provision of technology to 22 valleys. The Mantaro Valley in the Andes of Peru is the second richest area in natural resources in Latin America. Today, however, it lacks adequate infrastructure. How much water is lost to the Pacific Ocean? How much territory is wasted because there are no regulatory plans and no urban or territorial plans?

PREVIOUSLY, THE REFURBISHMENT OF URBAN SPACES OCCURRED SOLELY IN THE MOST SOUGHT-AFTER AREAS OF LIMA. BUT CURRENTLY, IT ALSO OCCURS IN POPULAR AREAS

PERU IS NO LONGER JUST LIMA. In Huancayo, in the area of Sapallanga, the private sector is developing 86 hectares for commerce, industry, tourism, housing, and large green spaces. In Piura, there are 81 hectares of an entire block for sale. The city of Pisco, near Lima, has an intermodal structure relating to an airport, sea port, freeway, and 25,000 hectares approved for development. Pisco currently has full employment. All of these developments will require coordination between all levels of government and the private sector.

THE CITY AND ITS DEVELOPMENT. Anyone who lives in the populous settlements that lack water, drainage or electricity is likely to have low self-esteem, hindering the person’s capacity to progress. Access to city services can provide residents an opportunity for advancement. Previously, the revitalization of urban spaces took place solely in the most sought-after areas of Lima, such as San Isidro, San Borja, La Molina, and Miraflores. Currently, however, it is now taking place in popular areas, such as El Agustino, where 22 towers with 20 floors each are being built.
THE POLITICS OF PERU HAVE PROGRESSED!

Previously, we understood only the unit: a family, a household. Today, we understand the integration between a city and its society. In 2002, important programs were created in the housing sector, such as Techo Propio, MiVivienda, Barrio, and Mejoramiento de Barrio (My Own Roof, My House, Suburb, and Improvement of Suburb, respectively). In 2012, we created new programs with the vision of urban development: Nuestras Ciudades and Generación de Suelo Urbano (Our Cities and Urban Ground Generation). The integration of society, the city, and the territory are the three basic elements for the development of a country.

THE INTEGRATION OF SOCIETY, THE CITY AND THE TERRITORY ARE THREE BASIC ELEMENTS FOR THE DEVELOPMENT OF A COUNTRY
HARDWARE AND SOFTWARE FOR URBAN DEVELOPMENT

YANG PENG
GENERAL-MANAGER, HUAWEI DEL PERU S.A.C.

URBAN DEVELOPMENT REQUIRES ACTIVE INFRASTRUCTURE PROVISION AND THE INCLUSION OF INFORMATION TECHNOLOGY AS PART OF THE INEVITABLE PROCESS OF URBANIZATION

HARDWARE. Urban development requires infrastructure in terms of public transport and basic public services—access to drinking water, sanitation, wastewater treatment, and provision of gas. It also requires consideration with regard to preserving the natural environment and the cultural and historical identity of our peoples. This last one includes planning on how to preserve small cities and towns that surround our great urbanizations. In order to obtain all of this, it is necessary to have the coordinated participation of the government and the private sector in financing urban projects.

SOFTWARE. We usually focus mainly on hardware, in the physical sense, for the urban development of the cities. I also, however, want to argue in favor of the inclusion of information technology as part of the inevitable process of urbanization in developed and developing countries. As computer networks and digitization develop, economic structures also will change. The cities are changing from centers of goods and services to centers of data and information. Computerized cities will be the new base for economic development and labor growth.

INTEGRATION AND URBAN DEVELOPMENT. We need an intelligent way to integrate information technology into city planning. For example, Xi’an—an old Chinese city—organized an exposition on the use of information and the computerization of the city, which boosted its economic development. There are areas where information technology can assist in the monitoring of vehicular traffic, public security, complex management of fiscal systems and land registries. These are increasingly becoming necessary in large cities. The city is where the integration of different sectors in the economy takes place, leading to innovation and development.

COMPUTARIZED CITIES WILL BE THE NEW BASE FOR ECONOMIC DEVELOPMENT AND LABOR GROWTH
CLOSING REMARKS
The Chinese Academy of Social Sciences has been working with the Inter-American Development Bank for many years. In September 2013, CASS President, Wang Weiguang, and IDB President, Luis Alberto Moreno, met during the Davos Forum in Dalian, China. They agreed on further enhancing our current collaboration and establishing the China–Latin America Policy and Knowledge Summit. The high profile of this Summit’s participants has reinforced our confidence that this is a good platform for the exchange of knowledge among us.

In the context of globalization, interaction and mutual interests among countries are expanding and being strengthened. Trade and investment between China and countries in Latin America are rapidly increasing. Economic exchange can be enriched by going hand in hand with the exchange of knowledge and understanding. In this way, our social and human capital will be sustained, our economic cooperation will be embedded, and policymaking processes will be informed to ensure win–win outcomes and sustainable cooperation.

Urbanization is an overarching issue for increasing the economic growth and social development of China. For the coming decade, nearly 100 million people will leave rural areas and migrate to the cities. In the meantime, cities are facing the tough challenges of providing services to these rural migrants. Tackling these challenges adequately is an enormous opportunity for China’s development.

From this Summit, I am able to highlight three issues regarding urbanization. Firstly, there is plenty for the two sides to learn from each other. Secondly, the discussion has revealed that face-to-face communication remains the best way to understand each other’s measures and polices. Thirdly, while learning from each other, useful and effective measures and policies need to be formulated in compliance with local and particular conditions.

In November 2013, the Third Plenary Session of the 18th Central Committee of the Communist Party of China adopted the Master Plan to strengthen reform in China. It includes over 330 reforms in 15 categories, from economic to social, cultural, and ecological issues. Today, China has embarked on a new round of reform which will not only lead toward its continuous growth, but it also will provide China’s partners with new opportunities for cooperation.

CASS, the top think tank in China, has played an active role in the planning, implementation, and evaluation of the new reform measures. It is prepared to act as a facilitator to strengthen China’s cooperation with other countries. CASS can work together with the IDB to assure that the China–Latin America Policy and Knowledge Summit is a valuable platform for promoting mutual understanding and cooperation.
would like to start with one of the reflections of Minister Milton Von Hesse: “Urbanization is inescapable”, to which I would add that it is irreversible within the context of globalization. This context, marked by rapid urbanization and its irreversibility, unites China and Latin America beyond their differences of scale.

China is currently experiencing a process of urbanization similar to the one that started in Latin America almost 60 years ago, when the population of the region changed from being mostly rural to being 80 percent urban. This transformation brought along a series of advantages, such as increased access to better jobs, education, and health services. At the same time, it brought an enormous challenge in terms of responding to the demand for infrastructure and services that it has generated. I highlight four challenges and four objectives that are shared by China and Latin America, some of which have been identified by Dr. Li Yan.

The four challenges of fast urbanization are: 1) cities of disorganized growth and low density; 2) residents with limited access to basic infrastructure services which, in China and Latin America, affects 30 percent of the urban population; 3) governments with limited autonomy of resources and no planning; and 4) cities that generate excessive contamination with regard to their air, water, and the environment, in general.

China and Latin America also coincide in their understanding that improving the quality of urban life is vital for the economy, society, and the environment. Both agree that this understanding requires the effort of all citizens and the support of objectives through public policies. Firstly, great effort is needed to create higher density cities; secondly, a tremendous effort is required to extend basic services to urban populations; thirdly, the management of city planning needs improvement; and fourthly, the environment needs to be protected.

Given these commonalities, I would like this to be the beginning of a rich collaboration between China, Latin America and the Caribbean, in order to expand innovation within those themes. For instance, it is relevant to know how Ecuador implements its principle of the right to the city; how Chile integrates social housing for equitable urban development; how Brazil develops integral plans for the upgrading of neighborhoods; how Peru produces a comprehensive territorial plan and how China implements its new urban development plan. I would like to reconfirm the commitment of the Inter-American Development Bank to work with all of you to support the development of more productive, fair, and sustainable cities.
The Ministry of Housing, Construction and Sanitation of Peru, in addition to its role in urbanization, has undertaken the extremely important task of handling rural housing, which is also of great relevance in China. The Tambos National Program, launched when this government administration started, targets the very poor rural areas of the high Andean region of the country to improve the quality of life of citizens, while maintaining its respect for the local culture and the patterns of the rural world.

The Ministry also views urbanization holistically in terms of the territory. An example is Pisco, a city that suffered from an earthquake more than six years ago. Pisco is now a city with investment and new commercial projects. Paracas has had a notable increase in hotel activity. In both Pisco and Paracas, the Ministry of Housing had a key role in leading the planning process.

The National Administration of Urbanism has developed an important task promoting training for all municipalities of Peru to enable them to formulate and update their territorial organization and urban development plans. The Ministry requests from the municipal mayors their urban plans and updated cadasters before proceeding with the investment plans for sanitation and upgrading work. If the plans and cadasters are unavailable, the Ministry offers expertise and training. The work is carried out in several municipalities of Peru, in coordination with the National Council of Competitiveness of the Ministry of Economy and Finance. This collaboration is critical in terms of strengthening urban development in a strategic and efficient way.

I conclude with a call to repeat meetings such as this Summit, which can enrich us with new ideas and prompt us to reflect on how to improve our cities.
Good urbanization makes life better. Good cities are key to the prosperity of a country and the happiness of its people. China and Latin America are facing the challenges of urbanization, looking for balance between land development and environmental protection, between government and the market, between revenues and finance, and between the present and the future.

The course of urbanization is closely linked to the history, nature, culture, and law of each nation. It differs from country to country, and current choices may influence future direction. Each country should not only comply with the requirements of general development; it also should adapt to its own characteristics and conditions. Regardless of the size and the development phase of cities in various countries, we should avoid jeopardizing future development and causing irreversible damage to the environment.

We—China and Latin American countries—all face great challenges in the process of urbanization and we need to continue to share experiences and the lessons learned between us. The Chinese Government attaches great importance to its cooperation with Latin America and the Inter-American Development Bank. This year President Xi Jinping visited Latin America to further the development of our economic and trade exchanges. This year is also the fifth year since China’s Central Bank joined the Inter-American Development Bank. Despite the geographic distance between China and Latin America, our communication has been—and will continue to be—easy and efficient, and the cooperation between the two institutions will continue to be enriched.
SHORT BIOGRAPHIES

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While at the IDB, she was Manager of the Andean Country Department, Senior Advisor to the Office of the Presidency, and Country Representative in Peru. She has also served as Economic Advisor to the President of the National Banking Association in Colombia. She holds an M.A. in development economics from Williams College in Massachusetts and a degree in economics from Universidad de Los Andes in Bogota.

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He was previously Executive Chairman of Banco del Estado and Ambassador of Ecuador to Portugal. Minister Aulestia graduated from the Catholic University of Ecuador as an economist and holds an M.Sc. in economics from the University of Oregon; and an M.A. in Latin American studies and economic history from the London School of Economics.

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Deputy to the 12th National People’s Congress and Member of the Standing Committee of the China Democratic League. His recent work focuses on improving the spatial planning system of land use, improving preservation of natural resources, and strengthening land reform in rural areas.

ELKIN VELÁSQUEZ MONSALVE
HEAD, REGIONAL OFFICE FOR THE CARIBBEAN AND LATIN AMERICA, UN-HABITAT.

He worked for the Colombian Ministry of the Interior on the drafting of the law for Territorial Planning and Governance. His vast experience includes working in various countries, including Chile, Ecuador, and Peru, and he has extensively provided technical expertise in Africa and Asia on the New Urban Agenda of UN-Habitat. He holds a Ph.D. in geography from the University of Grenoble in France and graduated a mining engineer from the National University of Colombia in Medellin.

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He was previously Regional Economic Adviser in the Andean Country Department at the IDB, Chief Economist and Vice President of Development of Strategies at the Andean Development Corporation, General Manager of the Central Bank of Ecuador; and Minister of Economy and Finance of Ecuador. He holds a Ph.D. in economics from Boston University.

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He was previously Director of Xi’an Institute of Urban Planning and Design, where he worked on the improvement of urban development, urban ecology, and the People’s Happiness Index. He graduated from Xi’an University of Architecture and Technology.

GUIDO JAVIER VALDIVIA RODRÍGUEZ
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He is also Executive Director of the Invertir Institute and is a professor at the School of Architecture at San Ignacio de Loyola University. Prior to his current appointment, he was Peru’s National Director of Housing, Vice Minister of Housing and Urban Development, Chairman of Banco de Materiales and Fondo MiVivienda and a COFOPRI Board Member. Mr. Valdivia holds an engineering degree from the University of Lima.

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SECRETARY OF HOUSING, MINISTRY OF CITIES OF BRAZIL.

She is responsible for the formulation and implementation of Brazil’s national housing policy and the National Housing Plan. Previously, she was Director of Informal Settlement Upgrading of the National State Secretariat of Housing. She is a sociologist, specializing in management planning.

JANICE PERLMAN
AUTHOR AND FOUNDER OF MEGA-CITIES PROJECT.

Her book, Favela, presents a longitudinal study over four generations in Rio de Janeiro’s informal neighborhoods. She is the Founder and President of the Mega-Cities Project and was a tenured professor at the Department of City and Regional Planning at the University of California. Dr. Perlman holds a Ph.D. in political science from MIT.
RAPID URBANIZATION AND DEVELOPMENT

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His previous roles at the IDB included Principal Economist in Guyana, Representative in Colombia, and Advisor in the Office of the President. Dr. Leon is an economist from the Universidad del Pacífico in Lima and holds an M.A. in economics from the Catholic University of Chile. He is a doctoral candidate at Duke University.

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REGIONAL DEAN, ASSOCIATION OF ARCHITECTS OF PERU.

He is the Regional Dean of Lima of the Professional School of Architects of Peru and Manager of Urban Development at the Municipality of Lima. He graduated as an architect from the National Engineering University of Peru and has postgraduate studies from the Institute for Housing and Urban Development in the Netherlands and from the International Training Centre of Land Policy.

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He is Honorary President of the Corporation SUYO S.A.C., and President of the Institute of Land and Cities. He has been Peru’s Deputy Minister of Housing and Construction, Deputy Minister of Housing and Planning, and Director of the Peruvian Chamber of Construction. He is a graduate architect from the National Engineering University. He also studied urban planning at the Center for Urban Studies in Madrid.

LI YANG
VICE PRESIDENT, CHINESE ACADEMY OF SOCIAL SCIENCES.

He is a deputy of the 12th National People’s Congress, and a member of the Academic Committee of Intercross-Science Research Centre for Natural Science and Social Sciences at the Chinese Academy of Sciences. He is also Vice President of various Chinese financial institutions. He is a graduate from Anhui University and holds an M.A. from Fudan University and a Ph.D. from Renmin University in China.

Luis Alberto Moreno
President, IDB.

Prior to joining the IDB, he served as Colombia’s Ambassador to the United States for seven years. In his country, Moreno was previously Minister of Economic Development, President of the Instituto de Fomento Industrial, managing social investment policies, including housing strategy for low-income families.

Milton Von Hesse La Serna
MINISTER OF HOUSING, CONSTRUCTION AND SANITATION OF PERU.

Prior to his current position, he was Peru’s Minister of Agriculture and Irrigation and the Executive Director for the Agency for the Promotion of Private Investment. He also directed the Master’s Program on Public Administration and was a professor at the Universidad del Pacífico in Lima. Minister Von Hesse has been a consultant to various international organizations including the IDB, World Bank, and UNDP. He graduated as an economist from the Universidad del Pacífico and holds an M.A. in economics from Georgetown University.

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Previously, he was Director of the Office of the Metropolitan Plan of Lima, Director of Urban Development of the Metropolitan Municipality of Lima and of the District Municipality of San Isidro, as well as Manager of Urban Development of the Municipality of Ate-Vitarte. He teaches at the San Ignacio de Loyola University in Lima, and holds an M.A. in architecture and sustainability.

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He is Secretary-General of the Global Urban Competitiveness Project; Chief Editor of the Chinese Urban Competitiveness Report; Vice Secretary of the Chinese Society for Urban Studies, Chinese Urban Development Academy, and China Society of Urban Economy; and author of 20 books and over 25 papers. He holds an M.A. and a Ph.D. in economics from Nankai University.

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