



“As digitalization creates job opportunities, higher income and secure employment for some, it exacerbates inequalities and exploitation for many others.”

—Sandra FLICKE-LOETZSCH, Fabiola FRICK

Quote from the article “Talent Is Evenly Distributed, But Opportunities Are Not – Impact Sourcing as an Enabler for Tomorrow’s Digital Creatives in the Global South” in *Intersecting* Vol. 10 by Sandra Flicke-Lötzsch and Fabiola Frick (Deutsche Gesellschaft für Internationale Zusammenarbeit GIZ, Germany). Image Source: Rickshaw drivers transporting passengers and goods in Sonipat, near New Delhi, India, in December 2022. Image by Nicolas J.A. Buchoud, all rights reserved ©.



Michael COHEN
Director, Doctoral Program
in Public and Urban Policy
The New School, New York,
United States of America

Social Inclusion in Cities 3.0

The essays included in this volume demonstrate that the debates about the role of cities in the global economy have moved on. We are not only far beyond the discussions of globalization of the 1990s, but we have also moved past earlier thinking about value chains, digitalization, and the new kinds of economic impacts which became visible during the Covid-19 pandemic. The world is in a different place, and so must be our thinking. As we enter new debates, I believe that we should urgently increase the intensity of our focus on social inclusion.

Two recent narratives about the current historical moment set the context. First, a 2022 report by the UN Economic Commission for Latin America has concluded that “globalization is over” and has been replaced by divergent patterns of regional productivity and growth.¹ Growth and trade are less and less about global markets, and are increasingly devoted to specific geographies and sites of

production. Terms such as “near-shoring” or “friend-shoring” suggest that proximity of production has become more important.

A second converging narrative by Shannon K. O’Neill demonstrates that global economic growth has been closely tied to regional capacities and opportunities all along.² The global is composed of regional units. O’Neill argues that country growth has benefitted from an emphasis on trade within regions. She notes that China in 2022 accounted for about 50% of all production, while Europe and North America contributed another 40%, and the remaining 10% came from Africa, Latin America, and the Middle East. Most trade is within Asia, between Asian countries and markets. The same applies to Europe and North America.

This trend highlights how regional, national, and local conditions will affect production, trade, and consumption, but also spatial equity and social inclusion. As we plan and set policies for “Cities 3.0,” I would suggest that we must learn from the pandemic period that inequality and social exclusion grow rapidly during periods of change. The rich do well; the poor face new forms of deprivation and obstacles to social mobility. As Oxfam has reminded us, Covid-19 was also the “inequality virus.”³

Another lesson from recent history is that contextual features heavily affect social inclusion. Global thinkers rarely devote sufficient attention to local contexts. I would suggest that we

need to pay attention to what might be called the “7 Cs.”

These include:

1. **Consistency:** We need to assure that countries’ macro and micro-economic policies are not working at cross purposes with sectoral strategies. This requires more government coordination, not less.
2. **Composition:** The composition of contextual factors necessarily varies from country to country. Our approaches must reflect that individuality as well as a diversity of local knowledges.
3. **Conditionality:** Conditionality must vary from country to country and city to city, reflecting actual conditions on the ground and existing institutional constraints.
4. **Cascading Crises:** We must recognize that crises affect each other and often have multipliers which can deepen specific local impacts.
5. **Causation:** Causation is cumulative, with one action generating consequences which build on one another. Together, over time, these consequences create structural inequalities.
6. **Cities:** Cities are the locus for this complicated patchwork of cause and effect, of policies and impacts. Cities are also

spaces of hope for social and economic progress, but they must assure social inclusion. If the ILO is correct that 90 % of employment in developing countries is informal, then we must change our view that formal work is superior to informal work. Indeed, formal employment is a small minority of total employment.⁴

7. **Communication:** A key to effective action is communication, between public authorities and their constituencies, and between public and private actors. Current forms of communication fail to reach the full diversity of local communities.

These requisites are only briefly identified here, but they are essential factors to keep in mind.

References

1. United Nations Economic Commission for Latin America and the Caribbean, Towards transformation of the development model in Latin America and the Caribbean: production, inclusion, and sustainability (Santiago: UNECLAC, 2022)
2. Shannon O’Neil, The Globalization Myth: Why Regions Matter (New Haven and London: Yale University Press, 2022)
3. OXFAM-India, Davos-India Supplement, The Inequality Virus (2021)
4. International Labor Organization, Patterns of Informal Employment (Geneva: ILO, 2018)