Policy Brief

City Changer Labs a thought provoking example for the BRICS

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Carolina Guimaraes and Alfonso Govela

BRICS Policy Center Centro de Estudos e Pesquisas - BRICS

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Authors: Carolina Guimaraes and Alfonso Govela,
Contributors: Rayne Ferretti and Juliano Diniz de Oliveira

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BRICS

An almost 12 years old idea has become an established reality today. Patterns of increased flow of investment and trade in emerging economies were common features identified by Jim O´Neil, chairman of Goldman Sachs, who granted in 2001 the name: BRIC countries to Brazil, India, China and Russia. South Africa was a late comer to the block and integrated the mentioned four at a later stage, representing an important gateway and a window of opportunity to the African continent.

Besides economic features, the creation of this bloc also hinted at an alternative front to a shifting world, where the old economic powers -United States and Europe- have been gradually losing its strength and leadership in the face of a prolonged economic crisis. While these five countries have not re-written the rules of political and economic global governance, together they present a robust block to leverage the influence of the traditional powers: "BRICS account for over 40% of the world's population, 18% of its market-exchange GDP (about 27% in purchasing-power parity), 15% of world trade and two-fifths of its foreign currency reserves."[1]

Another important trend that represents remarkable implications to the BRICS countries is the growing urbanization rates in developing countries. According to a Chinese government think-tank, Center for International Economic Exchanges, half of world economic output by 2030

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[1] Bidwai, Praful. (April 4, 2013). BRICS: A loosely held group with little sense of purpose. DNA India. Column. Retrieved August 18, 2013 from http://www.dnaindia.com/analysis/1818693/column-brics-a-loosely-held-group-with-little-sense-of-purpose

should stem from major cities and urban areas in these five leading countries[2]. Therefore, urbanization will be a decisive factor for these economies to sustain long-run economic growth[3].

Cities and BRICS

Interestingly, the BRICS Policy Centre define BRICS-cities[4] through a specific category that does not fit a particular definition of mega cities or global cities, such combination grants these cities special features and opportunities to develop its own path of development. This is an important factor in recognizing its own model and features as oppose to replicating without regard to spatial and social contexts.

While cities are hubs of opportunities, they present a dual reality. They co-exist side by side with modern infrastructure and efficient buildings and slums and extreme poverty, features prevalent in the BRICS countries. However, these spaces are powerful engines of growth; their expected prosperity, potentials and opportunities they offer for their inhabitants outweigh their dysfunctionalities.[5] For cities to progress from poor to prosperous spaces, an integrated and participatory city planning is needed. UN Habitat[6] promotes a combination of actions that reinforces three essential pillars to set the right institutions and foundations for development to flourish and benefit its local inhabitants: urban planning and design, urban legislation and governance and urban economy, thus setting the New Urban Agenda.[7]

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[2] Xinhua (March 25, 2011) BRICS TO account for half of the world GDP. China.or Retrieved Auust 1st, 2013 http://www.china.org.cn/business/2011-03/25/content_22220007.htm

[3] Peng, Chen and Wang Peng. Prospects and Challenges for the Global and Chinese Economies in 2022. Chapter 4

[4] BRICS Policy Centre. Cidades-BRICS, Policy Brief. Nucleo de Desenvolvimento Urbano e Sustentabilidade. April 2012

[5] Bolay, Jean-Claude and Abigail Kern. "Technology and cities: What Type of Development is Appropriate for Cities for the south?", Journal of Urban Technology (2011): 25-43

[6] UN Habitat. "A Manifesto for cities: Towards a Global Urban Agenda for Habitat III", World Urban Forum 6, Special Session 2, World Urban Campaign, September, 2012. http://www.unhabitat.org/downloads/docs/WUF6-SpecialSession2-WorldUrbanCampaign.pdf

[7] Ibid.The World Urban Campaign was lauched in 2010 during the World Urban Forum spearheaded by UN Habitat to established a coordination platform to exchange best practices and initiatives among all Habitat actors.

Youth

The world is young, urban, mobile, increasingly digital, but also extremely unequal. Half of its population is under the age of 30[8] and live in cities[9], global penetration of mobile-cellular subscriptions has reached 87 percent[10] of its inhabitants, one third of society use Internet[11], but one fifth still remains below the poverty line.

Inequalities and injustices still permeate development, and five structural divides need to be resolved: youth, urban, mobile, digital and poverty. Young people constitute up to 70% of the population in cities and countries in the world, however, are still under-represented and do not have their voices and opinions reflected in decision-making.

Strategies to breach these gaps can be combined to reduce youth marginalization, promote sustainable urbanization, provide democratic interconnectivity, reduce digital divide and increase economic opportunities.

The size and location of the youth bulge will shape our future, particularly our consumer patterns in the next decades. The opportunity to benefit from its potential demographic dividend is a challenge, as a rapidly urbanizing world still remains poor and unequal. Youth are three times more likely than adults to be unemployed or underemployed[12], remain in poverty and make a marginalized living in the informal sector.

The UN-Habitat considers youth an important force to build safer and sustainable cities and seeks to support initiatives to encourage youth participation. In addition, the Habitat Agenda commits governments and UN-Habitat to work in partnership with young people and enable them to participate in the decision making process in order to improve urban life and development of sustainable human settlements. The objective of the UN-Habitat Youth Strategy is to present an integrated approach to urban youth development, which will guide the operational activities of the agency when working with youth. It will provide a road map for the

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[8]   UNESCO."Statistics   on   Youth".   http://www.unesco.org/new/en/unesco/events/prizes-and-celebrations/celebrations/international-days/world-radio-day/statistics-on-youth/

[9]   United   Nations   "World   Urbanization   Prospects,   The   2011   Revision",   2011. http://esa.un.org/unup/pdf/WUP2011_Highlights.pdf

[10]   ITU,   "The   World   in   2011.   ITC   Facts   and   Figures"   http://www.itu.int/ITU-D/ict/facts/2011/material/ICTFactsFigures2011.pdf

[11] "Internet World Stats, Usage and Population Statistics", http://www.internetworldstats.com/stats.htm

[12] International Labor Organization."Decent Work for Youth in India",17 April 2012.

promotion of urban youth empowerment. Youth Led Development[13] guides the principles of the agency´s work, through placing youth at the centre of its own development, trusting them to be important agents for the improvement of society.

Youth, through research, showed that creativity and innovation were key factors to tackle employment preparation and job security[14]. Nevertheless, for youth to bring its idealism, creativity and energy to the table, they must be recognized as agents of change and assets to community development. Young people need acknowledgement, guidance and training in order to reach their full potential. In response, UN-HABITAT initiates and fosters inter-agency and partnerships with youth organizations. It engages youth at an international level, to help formulate an international understanding of youth issues.

Youth and BRICS

Previous to the 2013 BRICS summit, President Jacob Zuma reinforced the important role of the BRICS to contribute to employment and development for the youth population. The President expressed his concern for the rising unemployment[15] and stated he was well aware how the 2008 financial crisis had disproportionally affected youth opportunities for growth and prosperity. Making youth partners in development can contribute to a more productive society. They are, after all, a major human resource and key agents for economic growth and technological innovation. When empowered to play a vital role, they shape both the process and the outcome of personal and communal development[16].

Working for youth not only as beneficiaries, but also engaging them as partners, and supporting them as leaders, can help appreciate and mobilize their talents and strengths, reducing their

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[13] UN Habitat, State of the Field in Youth-led Development, Through the Lens of the UN-Habitat´s Urban Youth Fund. Report 2: Global Youth Led Development Report Series, 2011 ("Youth Led Development is a term popularized by Peacechild International to reflect a faith in the power of young people to contribute to constructively to the good of society."

[14] UN Habitat. The Challenge and Promise of Youth-Led Development, Report 1: Global Youth-Led Development Report Series, 2012.

[15] Sapa. Brics will help youth development: Zuma. Times Live, 19, March, 2013. Retrieved 6, August, 2013 from <http://www.timeslive.co.za/politics/2013/03/19/brics-will-help-youth-development-zuma> . In the same article, President Zuma stated that in South Africa more than 40% of those economically active and under the age of 30 were unemployed.

[16] "Youth Participation in Development, Summary Guidelines for Development Partners", Restless Development and the UN Programme on Youth. www.ygproject.org

vulnerability to unstable environments[17], increasing their absorption into the job market and their gainful employment, and builting, as a result, a stronger economic base that reverse poverty trends[18]. There is a strategic urgency to raise the youth human capital through education and training, helping them to become more productive during their working years[19].

According to Reisen, BRICS nations face three main challenges: fiscal equalization between the various levels of government, 'skills mismatch', or difference between what the educational system offers and industry demands, and weak innovation and diversification policies[20]. He continues by arguing that mixing and matching hard with soft infrastructure are decisive for BRICS sustainable development.

Overall, the BRICS must ensure that current inflow of international investments convert into sustainable growth. BRICS must set the right foundations and ensure the equity of policy actions to properly receive and allocate foreign fundsin order to avoid only short term profits and potential market instability.

Cities and Technology

A parallel "urban bulge" is coming. Urban areas are expected to absorb an additional 2.6 billion people and house an increase of 175% of dwellers in the next 40 years. By 2050, the world population is expected to be 67% urban, largely concentrated in large cities of one million or more inhabitants[21].

Cities will expand and mutate at unprecedented ranges and rates. Their hard-infrastructure needs will be accompanied with soft-infrastructure demands imposed by societal and

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[17] Ibid.

[18] Euromonitor International. "Special Report: The World's Youngest Population", February 2012, http://blog.euromonitor.com/2012/02/special-report-the-worlds-youngest-populations-.html

[19] World Bank Live, "Realizing the Demographic Dividend: Challenges and Opportunities for Ministers of Finance and Development", September 2011, Retrieved 1 August 2013, from http://live.worldbank.org/realizing-demographic-dividend-challenges-and-opportunities-ministers-finance-and-development

[20] OECD Insights Blog."What the BRICS need: Education, employment, equality, and soft infraestructura", Interview with Helmut Reisen, March 2013, Retrieved on 6, August, 2013 from http://oecdinsights.org/2013/03/26/what-the-brics-need-education-employment-equality-and-soft-infrastructure/

[21] UN "World Urbanization Prospects, The 2011 Revision", United Nations 2011. http://esa.un.org/unup/pdf/WUP2011_Highlights.pdf

governmental changes. The opportunities to transform urban economies and structures will converge with the appearances of new modes of citizenship and governance.

New technologies shall be applied to construct, operate and maintain urban systems; to provide services; to support and compose communities; to engage citizen participation; and to define new ways of urban government.

The concept of Smart City already apply sensors, networks and analytics for a new digital conscience to bring up efficiencies in municipal infrastructure. On the other hand, ICT advances like Social Media, the Cloud, Open Data, e-Government, and Civic Media, provide a framework for participation that promotes sharing, dialogue, cooperation, and the potential to harness collective intelligence in collective action[22].

Opportunity for development

Reverting BRICS challenges as potential niches of opportunities is vital for structural growth. The initiative presented below offers a great opportunity for BRICS countries to bring together two of its resources: youth and technology to leverage urbanization challenges.

City Changer Labs is a new initiative currently under development from UN Habitat framed under the campaign *I´m a city changer*[23], and also aligned with other agency´s thematic priorities such as youth and local employment under the urban economy branch. The initiative entails centers of innovation and entrepreneurship where young people create new digital technologies to address urban challenges. The City Changer Labs (CCL) call young people to a process that catalyzes and channels their creativity, strengthens existing initiatives in the local ecosystem of innovation and entrepreneurship, fosters synergies between such actions and promotes global talent networks to improve cities.

The CCL process should be coordinated with local actors, public institutions and the private sector to result in more productive and lasting by-products.   It has three phases: creativity,

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[22] Guimaraes, Carolina. "Social Media: A new tool for public organizations" (2012)
[23] The I´m a city Changer campaign was inaugurated in September 2011 with the goal to foster positive urban action around the world. The campaign platform catalogues all the various movements' organizations and actions happening on the various scales around the world to empower activities and potentially create a domino effect-of civic participation.

innovation and entrepreneurship. The first phase begins with a talent contest, also referred as UN-Habitat Hack Day that lasts a weekend (36 hours). The participants from age 18-30 should have a multidisciplinary background and are challenged with a specific urban thematic of their local context to develop apps prototypes to respond to such problematic. A jury selects one or two winning apps based on pre-established criteria. The Jury is normally formed by renowned leaders and experts on that specific thematic. The app (s) winners advance to the second phase of the process. The second stage, with the support of academic institutions and private sector, provides the apps developers a scholarship to convert, during the next three months, the prototype of the awarded application into a version ready for public launch. Agreements with city authorities, contact centers and public-private partnerships are signed to enable the sustainability and viability of the app back office; in order for the app to feed public policy instruments and / or urban activities. During this stage youth are also trained in marketing, advertising, communication, marketing strategy, among other subjects that should be incorporated into the future of the Start-up. The last and third stage is called entrepreneurship, when the app is ready for the next leap: to become public and for general use. During the next four months activities include: brainstorming sustainable business model alternatives, formalizing the status of the app into a start-up and liaising with local actors to include this new Start-Up technology to the local social fabric.

To date, there are 4 City Changer Labs: Mexico City, with the support of America Movil, Telcel and Telmex; Monterrey, Nuevo Leon, promoted by Instituto Municipal de Planeación y Convivencia (IMPLANC); El Salvador, with the participation of UN-Habitat and Agencia Española de Cooperación Internacional para el Desarrollo (AECID); and at TAGDF, a Televisa event. As a result 26 new Apps prototypes were developed, which resulted in 4 winners: "City Changes", an aggregator of citizen initiatives; "Kualy", good stories to counteract a social imaginary of violence; "KKO", a bank-less mobile finance alternative; and "Air Predictor", a personal and personalized air quality monitor. These apps are currently in their second stage of development, and more CCLs are planned to happen in other places in Latin America.

Overall, the City Changer Labs facilitate the participation of young people to become active citizens in the democratic transformation of their cities' urban management and improvement of the local digital and knowledge economy. The developed tools intend to be fully integrated into their urban environment, to provide better solutions to the current urban problems and issues.

Conclusion

Matching strengths and potentials with needs is the first step in coordinating the many variables available for BRICS countries to grow and thrive with long run plans and policies. City Changer Labs is a great example and represents a great opportunity to tap into Reisen´s mentioned challenges: skills mismatch, urban formality, and innovation. City Changer Labs provides youth with hands-on opportunity to create urban tools that are part of their reality and interest, encourage them to re-think solutions for their urban context, and offer potential for entrepreneurship and transferrable skills for youth to make a better transition to productive adult citizens.

Urban technology development by youth has the strong potential to be the mainspring to an improved urban life through the promotion of synergies of the physical environment and social components of cities. BRICS effective leadership is needed to recognize opportunities to engage youth in building sustainable urban growth for the future.