

The Urban Escalator

Executive Summary

This executive summary is based on the report, *The Urban Escalator* by James Fischelis with an introduction by Hywel Williams and Alanna Putze and a response by Harry Mount. Published by the Legatum Institute in London (September, 2015).

The full report can be downloaded here:

<http://www.li.com/activities/publications/the-urban-escalator>

Throughout human history people have made the journey to the city, fleeing poverty, war, famine and rural tedium. The first step in city life for almost all of these people is the slum. The Urban Escalator argues that slums are a vital part of the path to prosperity—they are the place where people start their capitalist journey.

Many of the world's great cities have their origins in slums. Hong Kong, in the wake of the Cultural Revolution in China, absorbed millions of refugees who settled in slums, yet today it is one of the most prosperous cities on the planet. This prosperity is in stark contrast to Dharavi in Mumbai which has been a slum since 1882.

The Urban Escalator argues that the transformation of Hong Kong and other cities is due to the acceptance of the new urban arrivals and their desire to join the formal capitalist economy. Too often governments make no effort to welcome the new citizens, condemning them to life in the slums.

It is time we celebrated the slum and its citizens. Its urban form of narrow streets and flexible buildings supports an intimate and highly sociable human network that is the seed bed for capitalism and urban affluence. The slum, with its ability to adapt and combine home and work, is a far more sustainable and supportive environment than sterile utopian planned towns so beloved by many politicians.

If governments care about new urban arrivals they need to embrace the slum and implement effective policies. The following principles should form the bedrock of urban policy:

- » Maintain cheap or free self-build housing that is immediately accessible for new urban arrivals;
- » Nurture strong community leadership and participation, as part of a wider sense of citizenship;
- » Regulate property rights so that land-owners become part of the formal economy;
- » Create infrastructure for clean water, sewage and electricity run by community leaders with local government that truly represents their constituency;
- » Create a localised tax system that is seen to be reinvested in the slum
- » Give access to green spaces for recreation alongside the slum

Finally, this report concludes that attitudes toward slum settlements must change. Governments all too often fail to understand how slums work and what is needed to allow citizens to thrive. Slums need to be recognised as an integral part of the city which, if organised along the principles outlined in this report, will form the first step on an urban escalator that enriches the city both in terms of economic and human capital.