

SDG 11

Commodification over community: financialization of the housing sector and its threat to SDG 11 and the right to housing

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SDG 11, “Make cities and human settlements inclusive, safe, resilient and sustainable” has the right to adequate housing at its core. Target 11.1 commits governments, by 2030, “to ensure access for all to adequate, safe and affordable housing and basic services [...]” All of the other targets under SDG 11 flow from this: upgrading informal settlements, ensuring access to transportation that connects homes to places of work and social services, ensuring participation in the planning and management of human settlements, and ensuring protection from the effects of natural disasters. All of these commitments have long been recognized as central obligations of States with respect to the progressive realization of the right to adequate housing. The greatest challenge to the realization of this right by 2030 is posed by the unprecedented dominance of financial corporations in the housing sector.

What is unique and of historic significance about SDG 11 and its targets is that it commits States to a firm timeline for realizing the right to housing. Until now, States have hidden behind misinterpretations of the “progressive realization” language of the International Covenant on Economic, Social and Cultural Rights (ICESCR) to justify their prevarications and inactions, with disastrous consequences for the lives of those affected. They can no longer adopt a ‘maybe later’ approach. They have made firm commitments to meeting goals and timelines for the realization of the right to housing. They must act and achieve results in a 15-year period.

Recognizing SDG 11 as a human rights obligation provides a transformative framework through which a political commitment lacking a detailed framework for implementation can be transformed into something more practical and realizable.

Attaching human rights to SDG 11 provides a way of governing, a system of norms and values to inform decision-making, policy, planning and development, and a way to empower residents to hold States and other actors accountable.

Dominance of financial corporations in the housing sector

Across the globe, the greatest challenge to the realization of the right to housing by 2030 is posed by the unprecedented dominance of financial corporations in the housing sector. What is sometimes referred to as “corporate capture” in other spheres has occurred in a singularly far-reaching and systemic manner in the housing sector in the last quarter century. Historic, structural changes in housing and financial markets and global investment have occurred in recent years. Rather than being valued as a place to live in a community, housing has become a commodity to be bought and sold for profit, valued as security for financial instruments that are traded in global markets and treated as a means to accumulate massive wealth for a few while rendering housing

¹ This article is based on the 2017 report of the Special Rapporteur on Adequate Housing to the Human Rights Council, see UN Human Rights Council (2017).

unaffordable for others. These global challenges to the human right to housing are generally referred to as the “financialization of housing”. The term refers to the way capital investment in housing increasingly disconnects housing from its social function of providing a place to live, to the way housing and financial markets are oblivious to the role housing plays in the well-being of people and communities. In short, the financialization of housing stands in direct opposition to the idea that housing, as a human right, is linked to personal dignity, security and the ability to thrive in communities.

The pace and extent to which financial corporations and funds are taking over the housing sector is staggering. Global residential real estate is now valued at US\$ 163 trillion, more than half of the value of all global assets and more than twice the world’s total GDP.² Banks, pension and hedge funds, private equity firms and other kinds of financial intermediaries seek out housing in ‘hedge cities’ as a safe haven to park excess capital, often benefiting from tax shelters. Housing prices are no longer commensurate with household income levels, and instead are driven by demand for housing assets among global investors – rising in many cities by more than 50 percent in a five-year period.³

Fluctuations in markets driven by the dynamics of global capital rather than by the need for housing have become the dominant force in the housing sector. When housing prices skyrocket, low and sometimes even middle-income residents are forced out of their communities by high rent or mortgage costs. When housing prices plummet, residents face mortgage foreclosure and homelessness. The devastation of lives and the scale of evictions and displacement by inadequately regulated corporate financial markets is unprecedented. In the USA, in the five years following the financial crisis, over 13 million foreclosures resulted in more than 9 million households being evicted.⁴ In Spain, more than

half a million foreclosures resulted in over 300,000 evictions.⁵ Evictions of this scale should give rise to international outrage about violations of the right to housing. Yet the ravages of corporate finance and global financial markets have largely escaped human rights accountability.

Rather than responding to these crises by ensuring that governments and financial corporations are held accountable to the right to housing, the prevalent pattern has been for governments to be made accountable to private equity markets and credit rating agencies. Housing crises have prompted governments to relinquish control of housing assets and financing to private equity firms, selling off vast amounts of housing and real estate assets at bargain prices to corporate actors. Austerity measures have been designed more to meet the demands of private equity lenders than the needs of those without housing, imposing further privatization and deregulation and creating even greater long-term vulnerability to market forces.

In developing economies, even informal settlements have become subject to speculative investment. Residents are displaced and often rendered homeless to make way for luxury housing that often stands vacant. And even when informal settlements are upgraded, while meeting a critical need (as envisaged in target 11.1), this has usually been initiated within a framework of public-private partnerships (PPPs) that serve in the long term to reinforce privatization. Rather than supporting and building upon community based social production of housing on land treated as a common good, ‘slum upgrading’ usually enlists corporate actors both in the production of housing and in the provision of credit; imposing individualized property titles, private ownership and reliance on global financial markets. In both the global North and the global South, models of housing and land as social goods have been subverted in favour of housing as a commodity for the accumulation of wealth.

2 Savills World Research (2016), p. 4.

3 Sassen (2016).

4 Sassen (2014), pp. 5 – 6 (based on data from RealtyTrac 2007, 2008, 2009, 2010).

5 Observatori DESC/Plataforma de los Afectados por la Hipoteca (2013), p. 12.

Reclaiming OUR public transport

BY ALANA DAVE, INTERNATIONAL TRANSPORT FEDERATION (ITF)

Urban transport is a sector where the industrial and the political are very closely linked. Public transport is an essential service relied upon by millions of people globally. Public authorities are lead industry players in both their role as employers and political decision-makers. The sector has massive strategic importance in the economic and social life of cities. So for labour, the struggle for power is not only in workplaces with employers (private and/or public) but also in the public sphere where decision-making about the ownership, control, organization and financing of public services takes place. For many years, ITF affiliates have opposed the neoliberal model of privatization and deregulation, supporting public ownership and investment in infrastructure and operations, as well as democratic accountability in how public money is spent. It is recognized that this shift is now much more urgent given the climate crisis.

Urban transport unions occupy an important strategic position in cities. But their ability to win in industrial disputes has been seriously weakened and undermined by a massive offensive against unions and workers, including the ability to take strike action. The ITF is focusing on rebuilding industrial muscle in targeted cities and different transport modes, and at the same time positioning ourselves

politically to fight for a public transport system that meets the needs of the majority of people as well as the environment. We are reclaiming the meaning of the ‘public’ in the interests of social and environmental justice, rather than markets and private profit.

OUR public transport should ensure:

- The needs and rights of millions of **workers** who rely on public transport for their jobs and keep public transport moving.
- The rights of public transport **unions** around the world who have built and improved the sector by negotiating better terms and conditions of employment for workers.
- The needs and rights of millions of **informal workers** who rely on providing public transport for their livelihoods.
- The needs and rights of millions of **ordinary people** who rely on public transport to move around cities.
- The needs and rights of millions of **ordinary people** who still do not have adequate access to public transport.
- The needs and rights of **discriminated or marginalized groups**

such as women, elderly people, young people and people with disabilities.

What are our goals? We aim to build union strength across integrated public transport systems, and strengthen organizational and employment rights for workers and unions. In the long term, we aim to win alternative models of public transport based on decent work and democratic public ownership. Not everyone has a say in how public transport is run, and for whose benefit. Too often public transport planning does not include the views of the real experts – workers and passengers. Through organizing passengers and building strategic alliances, we will raise the visibility of workers and passengers’ stories, experiences and needs.

As Francisco Mora, President of the ITF affiliate SNTT in Columbia says:

“I believe we are not just transport workers - above all we are all transport users – and so are our families and friends. We need to make sure that transport in big cities becomes more humane and that profit is not put before the needs of people.”

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The dominance of corporate financial actors in decision-making about housing and real estate and the loss of models of independent governance through which financial actors and markets can be adequately regulated has been gradual and often invisible. The trend has now become quite stark, with the unprecedented, visible role of real estate billionaires in government and policy-making in the USA and elsewhere. The corporate capture of democratic governance affects all sectors, but it is particularly all-encompassing and systematic in the sphere of housing and real estate.

The financialization of housing is a three-fold assault on human rights. First, financialization undermines democratic governance and community accountability. When the housing sector is dominated by corporate financial actors, governments tend to be held accountable and responsive to international financial institutions and creditors rather than to human rights and housing needs of communities. Decisions about housing — its use, its cost, where it will be built or whether it will be demolished — made from remote board rooms are fundamentally disconnected from rights holders. This undermines effective human rights accountability and is contrary to target 11.3, which calls for participatory, integrated and sustainable human settlement planning in all countries. Second, financialization of housing exacerbates inequality and social exclusion, making it difficult to achieve SDG 10 on reducing inequalities and SDG 16 on peaceful, just and inclusive societies. It creates more wealth for the wealthy and deprives the poor of housing and communities. And third, financialization detaches housing from the human rights values of living within a community, in equal dignity and security – the values that ought to define housing. When housing is bought and sold as a speculative commodity rather than valued as a place to live, it becomes dehumanized. Investors' rights to expected profits, protected in trade and investment agreements are protected by courts and tribunals while residents whose rights to housing are being systematically violated are denied access to justice.

The shift to a human rights paradigm for the realization of SDG 11

Financialized global markets are too often seen as external forces beyond the control of States. However, financialization is in fact a product of State action and inaction - sustained by and supported by States. It relies on the judicial enforcement of agreements between lenders and borrowers, on laws governing property rights, zoning and land use laws and policies. It relies on an increasingly complex system of international and regional treaties negotiated by States governing the terms and conditions of investments and government actions that may impact on profitability. States and governments are perfectly capable of redesigning laws and policies governing housing and financial markets to recognize the centrality of the right to adequate housing-providing they are allowed to implement them. The ability of States to perform this task is central to the realization of SDG 11. It will require a significant transformation of current systems of law and accountability and new avenues of access to justice, at the local, national and international level. Tall asks that are nevertheless not out of reach.

The reclaiming of human rights within the housing sector from the dominance of corporate finance will mean asserting both the role of rights claimants and at the same time, demanding that government at every level, from the local to the national, fulfil its obligations to respect, protect and fulfil the right to adequate housing. These obligations must be understood not only in the context of government programmes to provide housing but also in the context of governments' role in regulating private actors and financial markets.

The obligations of States in relation to the financial sector have often been ignored or interpreted too narrowly. The default position, bolstered by the ideology of neoliberalism, is that States should simply allow markets to work according to their own rules, subject only to the requirement that private actors “do no harm” – however they understand it – and avoid explicit violations of human rights. What is often missing from the discussion is an understanding that corporate actors must comply with domestic

laws and regulations and that these must be designed by States in a manner that is consistent with the right to housing. This means, for example, that while there may not be an obligation under international human rights law requiring private corporations to provide affordable housing to those in need, governments may in many circumstances have an obligation to impose that requirement on prospective developers. It will be important, in the realization of SDG 11, to draw on the immense amount of capital available for investment in housing. But it is up to States to ensure that investments in housing are consistent with the realization of the right to housing. States cannot simply rely on private actors, through due diligence, to design housing policy capable of realizing SDG 11. They must actively develop and implement new approaches to investment to ensure that result.

A human rights approach will build on innovative models of housing production and growing resistance to the financialization of housing emerging in communities around the world. Residents are demanding that vast amounts of vacant housing controlled by speculators be made available to those in need, that developers be required to build housing that is affordable and designed for and by the community, and that courts protect the right to housing. Residents of informal settlements are demanding new models of upgrading based on community practice and social production. Communities are demanding a significant change in the governance of housing and land, rejecting the commodification of housing in order to retrieve what housing means in terms of human dignity and security, as a lived experience, as a human right. Some local governments are pleading for recognition of the central role they can play in facilitating and supporting these types of community responses to financialization, as well as advocating with other levels of government for the necessary legislative, policy and fiscal changes.

A number of States have instituted restrictions on foreign purchasers of residential real estate and others have imposed taxes on vacant or luxury homes. Some jurisdictions have introduced a property speculation tax and others have been successful at requiring developers to change plans for luxury housing into inclusive development that meets the needs of resi-

dents. Other governments such as the autonomous regions of Andalusia and Catalonia in Spain, have introduced legislation that explicitly affirms the social function of housing and facilitates temporary expropriation of vacant housing.⁶ Domestic courts have increasingly recognized their critical role in applying domestic law consistently with the right to housing, by, for example, refusing to enforce foreclosures or evictions that would result in homelessness.⁷

While these measures are important beginnings and can mitigate the effects of the financialization of housing, a more fundamental shift is also required. SDG 11 and the New Urban Agenda (adopted at the Habitat III Conference in Quito, Ecuador in October 2016) provide an important opportunity to replace the commodification of housing as a vehicle for the accumulation of wealth with the human right to housing, for dignity, security and sustainable communities. Central to making that shift will be a more robust engagement by States with financial markets, regulatory bodies and private equity firms to ensure that housing investment and development initiatives are consistent with States' obligations to realize the right to housing by 2030. Courts must begin to interpret and apply all domestic laws in manner which takes seriously the obligation to realize the human right to housing within a reasonable period of time, by all appropriate means, as binding obligations on all levels of government. The commitments made under SDG 11 can be referenced to that human rights obligation. National human rights institutions must monitor the effect of investment on the right to housing and SDG progress and hold governments and private actors accountable for violations and lack of progress. Trade and investment treaties must ensure that States are fully empowered to regulate and direct private investment so as to ensure the realization of the right to housing. Emerging work in the area of business and human rights should be more

6 Comunidad Autónoma de Cataluña, BOE-A-2015-9725. Junta de Andalucía, BOJA nº 69, Decreto-Ley 6/2013: Art. 2,3,4.

7 Committee on Economic, Social and Cultural Rights, General comment No. 7; Wilson (2009); City of Johannesburg Metropolitan Municipality v Blue Moonlight Properties 39 (Pty) Ltd and Another (CCT 37/11) (www.saflii.org/za/cases/ZACC/2011/33.html).

rigorously applied to the largest sphere of global business – the sphere of housing and real estate. Financial institutions and housing investors should be encouraged to adopt guidelines that recognize the important role that they must play in the realization of the right to housing.

The implementation of the 2030 Agenda is the right time to insist that human rights obligations be recalibrated to address the immense challenges of the financialization of housing and redirect the vast resources available toward the realization of the right to adequate housing.

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Four critical steps to operationalize the New Urban Agenda's transformative commitment to decent work and inclusive and sustainable cities (SDG 11)

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In October 2016 over 30,000 representatives of national, regional and local governments, trade unions, business, academia, urban planning and civil society gathered in Quito, Ecuador, for the Habitat III Conference (HIII), where state representatives adopted the New Urban Agenda (NUA),¹ the UN guidelines meant to serve as a reference for urbanization policies for the next 20 years. The NUA is directly related to the implementation of SDG 11: “Make cities and human settlements inclusive, resilient and sustainable”.

Since the onset of the HIII process, trade unions have made clear that to make cities fair and for urbanization to result in lasting socio-economic inclusion, poverty elimination and inequality reduction, workers must be placed at the heart of the policy agenda and that commitments and urban policies must find root in the decent work framework of the International Labour Organization (ILO), also consistent with SDG 8. If city workers' livelihoods are unsustainable, cities will be unsustainable too. What has ended up in the final text of the NUA is far

from trade unions' demands and recommendations. Yet, the clear references to “full and productive employment and decent work for all”² mandate the operationalization and monitoring of this NUA's transformative commitment to generate decent employment in cities and local communities.

In their position on Habitat III's “Ten key points for fair cities and for an inclusive New Urban Agenda”³ trade unions distilled and elaborated a set of practicable policy recommendations that continue to be a reference and can serve as a roadmap for realizing the HIII transformative commitment to ensure sustainable and inclusive cities for all.⁴ Four stand out for their powerful and comprehensive approach in the operationalization of the NUA transformative commitment to decent work and SDG 11:

1. Negotiation and implementation of local tripartite decent work pacts in cities, metropolitan areas and regions

Local tripartite decent work pacts are powerful shared transformative policy frameworks that representatives of city and local governments - together with local trade unions and business – can set up through social dialogue and collective bargaining, and where each party takes its part of responsibility and shares commitments to generate sustainable socio-economic development through the creation of decent employment. Such measures can include:

- local active labour market policies for decent employment generation, including positive action for gender equality, youth and ageing workers (NUA, para. 62) and diversity;
- mechanisms to promote legal, regulated employment relations complying with labour rights and to facilitate the transition of informal workers into to the formal economy (NUA, para. 59);
- benchmark-setting for city or metropolitan living wages and

1 UN General Assembly (2016), quoted in the following as NUA.

2 NUA, para. 14b and para. 57.

3 www.world-psi.org/sites/default/files/en_psi_position_on_habitat_iii.pdf.

4 Cibrario (2016).

positive listing and incentives to employers paying living wages;

- the creation of decent green jobs jointly with just transition plans for those employed in carbon-intensive operations, within the commitment to local climate action consistent with the 2015 Paris Agreement on Climate Change (NUA, paras. 75 and 79);
- training, upskilling and employability actions needed to realize just mitigation and adaptation to climate change, digital and circular economies transitions and to build viable paths between education and decent employment opportunities, as well as inter-generational knowledge exchanges in local communities;
- specific acknowledgement of the role of small and medium enterprises (SMEs) in employment creation at a local level and appropriate policies to support, enhance and accompany their decent-work generating potential (NUA, para. 58);
- social cohesion measures to support the integration of migrants and refugees within the local economy and communities (NUA, para. 57).

When well designed and managed, local decent work pacts are powerful, empowering and participatory tools that generate decent employment while promoting compliance with human and labour unions' rights (NUA, para 26).

2. Inclusion of labour and environmental clauses in public procurement jointly with public contract transparency, disclosure and anti-corruption measures

The implementation of the NUA says much about infrastructure and housing building, but little about how to tap into the enormous potential that socially and environmentally responsible public procurement represents to leveraging urban building and infrastructure development policies and purchasing power to generate decent employment and ensure that contract builders and suppliers respect human and labour rights as well as environmental standards. Through well designed public procurement policies, local governments can demand the companies they contract to exercise responsible labour, social and environmental standards affecting all workers on building sites in line with ILO Convention 94,⁵ protect the local community from harm linked to poor, unsafe building and infrastructure and create decent employment that benefits the local community and economy.

Specific guidelines for the operationalization of responsible public procurement to uphold the NUA transformative commitment to

5 ILO Convention concerning Labour Clauses in Public Contracts, 1949 (www.ilo.org/dyn/normlex/en/f?p=NORMLEX_PUB:12100:0::NO::P12100_INSTRUMENT_ID:312239).

decent work and inclusive cities include the following measures:⁶

- explicit references to equal treatment and conditions for all workers on building sites regardless of their origin and status;
- mandatory formal, legal employment arrangements;
- adequate provisions for health and safety standards and skills;
- a chain of liability down the whole subcontracting process;
- transparency measures, with the details of public contracts and adjudication processes made publicly accessible to allow for scrutiny and proper evaluation;
- an integrated approach to corruption covering all actors involved in public procurement, including adequate, effective measures for proportional and dissuasive sanctions; public seizure of profits and gains attained through corruption and unethical practices; and the protection of whistle-blowers, their families and communities from harm and retaliation.⁷

6 The RESPIRO Guides on Socially Responsible Procurement of Building Construction Work and on the Socially Responsible Procurement of Textile and Clothing provide additional guidance, see www.respiro-project.eu/en/respiro-guides/.

7 PSI (2016).

3. Universal access and public ownership and investment in essential urban public services

Accessible, affordable and quality public services are the cornerstone of inclusive, sustainable cities. Universal access to water, energy, health care, transportation, waste management, social services, education, public spaces, social housing and other essential public services significantly reduces inequality among urban populations and is a prerequisite for the respect of human rights, including gender equality. When public-private partnerships (PPPs) enter the provision of essential public services prioritizing profit and dividend maximization, instead, the social and environmental sustainability objectives that public institutions have a duty and a mandate to pursue are distorted and are no longer achievable. Essential service jobs are externalised, headcount is reduced, pay and conditions are lowered and workload increases to squeeze resources out of the service into private profits: this is also a systematic destruction of decent jobs that is at odds with the NUA commitment.

After 20 years of evidence of failure of PPPs to deliver essential services,⁸ cities and communities worldwide are increasingly bringing essential services back

in-house through remunicipalization (see box on remunicipalization in the water sector in [Chapter 6](#)).⁹ The implementation of the NUA must draw on this lesson and rely on the public financing and management as viable alternatives to the PPP mantra for much needed urban essential services.

When essential services are publicly owned and provided, profits are also reinvested in the public service to improve it or cut user costs rather than to extract profit and pay shareholders. This goes to the advantage of local communities and fosters urban socio-economic inclusion, in line with the NUA commitments and SDG 11.

4. Tax justice for local governments and communities and progressive municipal fiscal systems

Taxation is a key lever to beat inequality and to operationalize the NUA's commitment to urban socio-economic inclusion and the SDGs. Adopting all of the above-mentioned policies is not possible without a sustainable stream of resources that local and regional governments (LRGs) can tap into without exacerbating inequality further. Cities and metropolitan areas are the engines of global growth and development, but to be inclusive they need adequate resources to finance and invest in urban and local public

services and infrastructure. LRGs are also in charge of the implementation on the ground of global frameworks such as the Sendai Protocol on Disaster Preparedness, the decent work agenda, the Paris Agreement on Climate Change, the SDGs, and now the NUA. Yet, when it comes to being financially empowered to do so, austerity measures, tax avoidance, international loan conditionality, international trade and tax deals, and shrinking intergovernmental transfers and unfunded mandates increasingly strip them of the essential resources they need to fund and deliver to essential public services to urban dwellers and local communities.

Much of the discussion that led to the NUA and its outcome concentrate around inter-municipal tax competition, PPPs, city-based benchmarking for borrowing resources in the stock market and user-fee charges. These are unsustainable and socially regressive options that are going to detract from the NUA transformative commitment to inclusive cities and from the SDGs. What is needed is a mix of tax justice for local governments and of progressive municipal fiscal systems that includes the following:¹⁰

- 1 Central government tax recovery measures and adequate in-

8 See, e.g. Wainwright (2014), Hall (2015), Jomo et al. (2016), Romero/Vervynck (2017).

9 Kishimoto et al. (2014), Reynolds et al. (2016).

10 For a full set of viable policy recommendations on financing the implementation of the NUA see Cruz (2017).

tergovernmental fiscal relations and transfers. As LRGs cannot deal with mobile tax bases, central governments must ensure that corporate and private actors pay their fair share to the local communities where they are settled, operate and generate profit and do not free ride on them. This means raising additional tax revenues as well as strengthening and empowering national tax authorities and employees to recover avoided tax - in cooperation with other countries - particularly from multinational corporations, which are known to shift their tax bases to tax heavens and low-tax jurisdictions. Higher revenue collection at the central level then needs to result in higher transfers to LRGs to achieve the SDGs and implement the NUA. In addition, LRG authorities must be involved in tax policy so that they can demand fair returns for local communities in terms of tax revenues, local decent work creation, clean technology transfer, profit reinvestment, fair pricing for commodities.

- I The empowerment of LRGs to raise and collect local taxes and adopt progressive municipal fiscal policies. Depending on the local context and priorities, these include local taxes on property, business, income, excise and health, and land value-capture mechanisms.
- I The establishment of 'fiscal social contracts' between LRG

authorities, institutions and taxpayers, whereby a relationship of trust is created among them and the latter accept to comply with tax obligations as they see the immediate benefits and returns in terms of access to improved local public services and infrastructure within a context of legality, fairness, transparency and accountability.

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The “Aerotropolis” phenomenon – high risk development thwarting SDGs

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With increased global economic integration, a new form of airport-centric commercial development has emerged and is spreading rapidly worldwide. As nodes in global production systems offering speed and connectivity, ‘city airports’ are being transformed into ‘airport cities’, or so-called ‘aerotropolises’. Like other cities, the aerotropolis consists of a central core with rings of development permeating outwards. But its core is an airport, and all surrounding development supports and is, in turn, supported by the airport industry.

Promoters hail this new urban form as economically efficient, globally competitive, attractive and sustainable.¹ They point to the promise of creating powerful engines of local economic development, attracting tourism-related industries, generating jobs for locals and added value for neighbouring communities.

But in fact, the aerotropolis profoundly subverts the goal of building inclusive, equitable and sustainable cities. It is not a city

designed to enhance the lives and livelihoods of urban dwellers and to provide public space to nurture participatory democracy and civic empowerment. It is a city driven by a combination of private business imperatives and State control, with the high levels of security and controls that go with airports. It constitutes a super-centre of conspicuous consumption with facilities and services primarily catering to privileged and wealthy upper-class air passengers with hyper-mobile and luxurious lifestyles, and to transnational corporations that are keen to get their products swiftly to customers around the world.

Apart from the airport, aerotropolis developments usually feature hotels; shopping and entertainment facilities; retail, convention, trade and exhibition complexes; golf courses; as well as manufacturing and warehouse areas. These projects are often given preferential treatment, such as relaxed regulations and tax breaks, and are sometimes integrated with larger Special Economic Zones (SEZs), where supportive infrastructure, such as transportation links, energy and water is provided.

Those who benefit most from such projects are not local communities but international investors and corporations such as construction firms, airlines and other transport companies, hotel chains, real estate companies, insurance and security equipment companies, retail businesses as well as manufacturing companies with an export orientation.

The proliferation of aerotropolis schemes needs to be seen in the context of the global trend to financialize infrastructure. Airport-related projects are being coveted by the financial sector and transformed into assets through which private investors are guaranteed high returns. Public-private partnerships (PPPs) are on the rise in the airport industry. However, the expanded use of public money – for example, taxes, pension funds and aid - to offset the risks involved in these massive projects is of special concern, particularly in developing countries struggling with poverty, ailing economies and high debts. PPPs tend to externalize the high costs onto the backs of people(s) and the biosphere.

¹ See e.g., John D. Kasarda, President and CEO of Aerotropolis Business Concepts (www.aerotropolisbusinessconcepts.aero).

Aerotropolis schemes devour huge tracts of land, sometimes more than 100 square kilometres. Major impacts include land conflicts, forced evictions, loss of biodiversity and farmland, environmental degradation, air, water and noise pollution, and lack of transparency and accountability. Given their petroleum-intensive infrastructure, aerotropolis developments are perpetuating the global fossil fuel-based economy that drives runaway climate change.

For all these reasons, resistance against aerotropolis ventures has been growing worldwide – from the UK and Turkey in Europe; to Tanzania in Africa; Indonesia, India and Taiwan in Asia; to Mexico in Latin America. In 2015, an alliance of civic groups formed the Global Anti-Aerotropolis Movement (GAAM)² in order to research and monitor developments and support local struggles against socially and environmentally destructive projects.

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² <https://antiaero.org/>.