

**REPORT ON
WORKSHOP ON URBAN GOVERNANCE AND INTRA-URBAN POPULATION
DIFFERENTIALS IN LATIN AMERICAN METROPOLITAN AREAS**

**Population Research Center
Urban Issues Program
The University of Texas at Austin
November 15-16, 2002**

**Compiled by
Susana Adamo with the assistance of Tania Vasquez.**

ORGANIZATION OF THE WORKSHOP

The aims of the Workshop were to plan collaborative research by taking account of work already done, by exchanging information on data, by agreeing on comparable methods of analysis and by identifying the key issues for future research. To maximize the exchange of ideas, presentations were kept short (15 minutes maximum) and limited to four in a three-hour session. They were followed by a round-table discussion aimed at examining further the approaches presented and at exploring the extent to which they can be applied comparatively.

The organizers designated presenters to the sessions where their research experience was likely to be most appropriate, but there was considerable overlap in interest and experience. Where the presentations were based on longer research documents, these were tabled and made available to all participants. This Workshop was also as an opportunity for participants to form research networks on specific topics.

The following summary of the discussions in the Workshop is based on notes and the tapes of the proceedings. The presentations of the Workshop will be listed on the Web site of the Population Research Center (<http://www.prc.utexas.edu>) under its Center for the Study of Urbanization and Internal Migration in Developing Countries.

Final Schedule

Friday, Nov. 15

Opening Session

Welcome words by Robert Hummer, Director, Population Research Center, The University of Texas at Austin

Opening remarks and Introductions by Robert Wilson (LBJ School of Public Affairs) and Bryan Roberts (Department of Sociology), The University of Texas at Austin

Session 1: Spatial Analysis and Social Policy in Latin America

Moderator: Leif Jensen (Pennsylvania State University)

Brief Presentations by:

- Brent Hall (University of Waterloo, Toronto, Canada)
- Geraldo Marinho (Federal University of Pernambuco, Recife, Brazil)
- José Marcos Pinto da Cunha (NEPO, UniCamp, Brazil)
- Javier Suárez Morales (Secretaría de Desarrollo Social, Mexico)

Session 2: Spatial Segregation and Social Stratification in Latin American Cities

Moderator: Edward Telles (University of California, Los Angeles)

Brief Presentations by:

- Francisco Sabatini (Pontificia Universidad Católica de Chile, Santiago)
- Ruben Kaztman (Universidad Católica del Uruguay, Montevideo)
- Haroldo Torres (CEBRAP, São Paulo)
- Christof Parnreiter (IURR, Austrian Academy of Sciences, Vienna)

Session 3: Directions for Future Research on Urbanization

Moderator: Andrés Villarreal (Department of Sociology, The University of Texas at Austin)

- Roundtable discussion on available data for spatial analysis and convergence of methods for the study of intra-urban population differentials in Latin American cities.

Saturday, Nov. 16

Session 4: Informal Economy and Labor Markets: Recent Trends

Moderator: Alejandro Portes (Princeton University, Princeton, NJ)

Brief Presentations:

- Guillermo Wormald (Pontificia Universidad Católica de Chile, Santiago)
- Luz Marina Díaz (PRC, The University of Texas at Austin)
- Marcela Cerrutti (CENEP, FLASCO, Buenos Aires, Argentina)
- Marina Ariza (UNAM, Mexico City)

Session 5: Neighborhoods, Civil Society and Governance

Moderator: Peter Ward (LBJ School of Public Affairs, The University of Texas at Austin)

Brief Presentations:

- Anarita Diaz Muñoz (Siempro, Argentina)
- Shannon McConville (University of California, Los Angeles)
- Alba Zaluar (State University at Rio de Janeiro, Brazil)
- James Joseph (Alternativa, Lima, Peru)

Conclusion Session

Closing Remarks by Alejandro Portes, Bryan Roberts, and Robert Wilson

- Identification of key research issues for future research

List of Participants (in alphabetic order)

- Marina Ariza (ISUNAM, México City, México)
- Pedro Luis Barros Silva (NEPO, UniCAMP, Sao Paulo, Brazil)
- Marcela Sandra Cerrutti (CENEP, Buenos Aires, Argentina)
- Luz Marina Diaz (PRC)
- Anarita Diaz Muñoz (SIEMPRO, Buenos Aires, Argentina)
- Jose Marcos Pinto da Cunha (NEPO, UniCAMP, Sao Paulo, Brazil)
- Brent Hall (Waterloo University, Canada)
- Robert Hummer (PRC, UT Sociology)
- Leif Jensen (Pennsylvania State University, University Hills)
- James (Jaime) Joseph (Alternativa, Lima, Perú)
- Ruben Kaztman (Universidad Católica, Montevideo, Uruguay)
- Geraldo Marinho (Federal University of Pernambuco, Recife, Brazil)
- Shannon McConville (University of California at Los Angeles)
- Christof Parnreiter (Institute Urban Reg Res, Austrian Academy of Science, Vienna, Austria)
- Alejandro Portes (Princeton University, Princeton, NJ)
- Joseph Potter (PRC, UT Sociology)
- Ericka Rascón (SEDESOL, Mexico City, México)
- Bryan Roberts (PRC, UT Sociology)
- Francisco Sabatini (Pontificia Universidad Católica de Chile, Instituto de Geografía, Santiago, Chile)
- Emily Skop (PRC, UT Geography)
- Patricio Solís (FLACSO, México City, México)
- Javier Suarez Morales (SEDESOL, Mexico City, México)
- Edward Telles (University of California at Los Angeles)
- Haroldo Torres (CEBRAP, São Paulo, Brazil)
- Andres Villarreal (PRC, UT Sociology)
- Peter Ward (PRC, UT Sociology and LBJ School)
- Robert Wilson (PRC, UT LBJ School and Urban Studies Program)
- Guillermo Wormald (Pontificia Universidad Católica de Chile, Instituto de Sociología, Santiago, Chile)
- Alba Zaluar (University of Rio de Janeiro, Brazil)

Graduate students

- Susana Adamo
- Verónica Aravena
- Tania Vasquez

Opening Session

Notes on Urban Governance

Robert H. Wilson, LBJ School of Public Affairs and Urban Issues Program, University of Texas

One propose of this workshop is to advance interdisciplinary and inter-country collaboration research on the problems that intra-urban population differentials pose for urban governance in Latin America. This effort arises from our interest in two major challenges facing contemporary metropolises in Latin America. One is the challenge of the decentralization of the public sector where local intra-metropolitan governments are acquiring more responsibility for administering public works and services, such as health, education, and housing improvement, and are experimenting with direct citizen participation in the formation and implementation of public policy. The second is a complex process of socio-spatial segregation that results in substantial differences between sub-areas of a metropolis in the income and educational levels of households, in the types of services demanded and in the quality of those services. The interconnection of the two challenges is particularly clear in housing, where intra-metropolitan local governments face the issue of both upgrading recently developed irregular settlements (about which there is already substantial research), and of the rehabilitation of the (now) well consolidated but increasingly distressed self-help settlements that began 20-30 years ago, and around which there is no systematic research and policy development to date. Although demographic and spatial processes inevitably affect urban governance and service delivery, governance issues and socio-spatial trends are often analyzed in isolation from each other.

The workshop brings together considerable expertise and experience in examination of spatial segregation, utilizing GIS systems and spatially disaggregated data, in metropolitan areas. In contrast, the examination of emerging issues in local governance is less well developed. In this document, I offer some thoughts on how to frame questions of urban governance in a way relevant to the analysis of recent changes in spatial

demographic structure. Elements presented in this document may serve as research questions in further work of our research network.

Decentralization of the state is a relatively new phenomenon in Latin America, resulting in part from the democratization of the late 1980s and 1990s and in part from structural adjustment policies encouraged by the international lending agencies. In the 1990s, central governments in Latin America devolved administration and policymaking functions of many services, such as health and education, to municipal governments. In some countries, such as Brazil, Mexico, and Peru, decentralization has been accompanied by explicit measures designed to increase citizen participation in policymaking and service management. In the major metropolitan areas, this has usually meant the fragmentation of administration between the various districts of the metropolitan area (sometimes numbering as many as 50 separate jurisdictions), which often results in substantial inequalities in the fiscal and administrative capacities of local sub-metropolitan governments. The same policy package often includes measures designed to encourage the partial or total privatization of some urban services. The United States (USA) has also experienced decentralization in the public sector, starting in the 1980s. Although the process of decentralization in the USA differed in distinct ways from that found in Latin America, local governments throughout the Americas face similar challenges in metropolitan areas.

The research network convened for the Austin workshop is presently examining the evolution of spatial demographic structure in metropolitan areas. In some cases, individuals are attempting to identify implications of these patterns on public policy. The four broad questions proposed below may be useful in our discussions of linking issues of urban governance and spatial demographic structure. Data and methodological challenges of each are also presented. These questions could be pursued in individual metro areas or in a more formal comparative framework if the interests and capabilities of various research teams are compatible.

RESEARCH QUESTION I: Are disparities in the levels and quality of urban services associated with evolving patterns of socio-economic segregation?

Demographic trends in metropolitan areas affect the demand for urban services. Understanding the spatial manifestation of demand is needed for effective planning of physical infrastructure, such as housing, streets, drainage, water, waste water, transportation, and land use planning; for social service provided in spatially constituted systems-such as education, and health; and for other critical services, such as public safety and environmental protection (e.g. around water ways or waste disposal).

Several challenges are likely to emerge in the investigation of this issue. Are spatially disaggregated data available on urban services at the metropolitan level and/or at the intra-metropolitan jurisdiction (i.e. municipal or district) level? (The appropriate geographic unit of analysis, metropolitan or intra-metropolitan level, may be varied due to data availability and configuration of local service delivery systems.) Does the provision of services by non-governmental agencies need to be taken in account? Should services be measured in terms of inputs or outcomes (e.g. number of class rooms or educational attainment of students)? Are similar data available in several metropolitan areas, thus enabling a formal comparative analysis? If similar data are not available, we can still achieve some level of comparability by attempting to address the same question(s) in each metro area.

RESEARCH QUESTION II: What are the implications of spatial segregation for employment opportunities and local planning?

To emphasize the spatial dimension of this question, information of the spatial patterns of employment from economic censuses or registers, perhaps disaggregated by occupation, could be contrasted with the spatial pattern of underemployed workers (or poverty populations). The examination of spatial distribution of employment for residents of poverty areas could also prove useful. At least in the USA, spatial mismatch of employment opportunities and low income populations remains evident in most metro areas. To the extent that labor force policy is pursued in our metropolitan areas, the empirical evidence on spatial distributions of opportunities may provide a base for evaluating the likely effectiveness of these policies.

RESEARCH QUESTION III: Are the interests of the poverty populations being adequately incorporated into local governance systems?

Incorporation in local governance systems can be examined in terms of (1) voting, (2) spatial implications of local election systems, and (3) citizen participation in decision-making and provision of local services. In addition, advocacy groups, political parties, or public officials can indirectly incorporate the interests of these populations in policymaking. Investigation of this question could follow two tracts. One is to associate spatial voting patterns, e.g., turnout, with spatial demographic characteristics. The second would examine other forms of participation, such as the degree of political mobilization in a neighborhood and the effectiveness of such mobilization in securing adequate levels of public services. This latter strategy would require data unlikely to be available from existing demographic data sources.

RESEARCH QUESTION IV: What causes spatial disparities in urban services?

If progress can be made on characterizing disparities in urban services, the analysis could be extended to explaining these disparities. Possible explanations include discriminatory practices of public officials, the inability of certain groups to affect policy decisions in local government (perhaps associated with clientelistic practices), lack of capacity in service delivery systems, including inadequate resources or fragmented governmental delivery systems. On the latter issue, the effect on poverty populations of resource disparities across municipalities (or districts) in a metropolitan area may well be an interesting question (i.e. a spatial mismatch of resources and service demands). Although beyond the scope of our near-term efforts, the examination of the assignment of governmental function to municipal government, municipal collaborations of shared management, or to metropolitan governmental entities will become an increasingly important topic as metro areas continue to grow.

Session 1: Spatial Analysis and Social Policy in Latin America

Moderator: Leif Jensen (Pennsylvania State University)

Brief Presentations by:

- Brent Hall (University of Waterloo, Toronto, Canada)
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Round-table Discussion Summary

One of the issues in the academic analysis of social problems in Latin America today is that the region moves towards new social policies that really attempt to make decentralization more effective and, at the same time, these policies present a combination of decentralization with targeting. In this situation, mapping becomes one of the essential tools for governments to move forward. If the countries do not have universal systems of entitlements, if the norm is using targeting systems as effective ways of reaching people, the very poor, etc., then again very fine data is needed. In relation to this, the level of analysis or detail has to be the level at which the government is targeting and decentralizing, and that varies from country to country. These would be some of the variables that the project would have to compare as well.

The discussion generalized around the following topics: data issues, issues of GIS technology and application, and levels of analysis and aggregation

Data issues included a number of different topics. Some of them were the availability and quality of GIS data in each country, what type of data source were needed for different policies, and the extent to what the different governments recognized the need for such data.

Data availability presented a number of different situations. In Brazil, for example, availability of data per se seemed not to be an issue, although the availability of spatial data might be. Mexico presented very good and adequate data. In contrast with this, data for spatial analysis in Argentina emerged as a potential problem. According to the experience of some of the participants, the access to the data is difficult and there is little

participation or involvement of government offices and universities. Also, the last available information at census track level is from 1991, and is easily available only for Buenos Aires. However, it was pointed out that the coordination of census bureaus in the MERCOSUR countries should make the situations more homogenous over time.

The levels of aggregation of the available data as well as their costs and quality at the different levels were identified as important concerns, mainly because of the heterogeneity of situations in the different countries. For example, it would be potentially important to know if analyses at the local level are viable for all the cities in the project.

A related topic was the importance of taking in account confidentiality issues, particularly when having access and using files or datasets of beneficiaries of social programs. Data may exist but may not be available due to these concerns. For example, several social programs in Argentina use census information below the census track level to locate places with high levels of poverty, in order to target them for identifying possible receptors of social plans. This type of information is highly sensitive and should be treated carefully.

Dispersion of data among different institutions and vendors was also pointed out as another concern. Related to this point was the issue of the problems involved in creating institutional cooperation among different governmental agencies in order to evaluate programs with GIS methods.

There were different answers to this. One of them emphasized the need of establishing agreements among different agencies at different government levels –states or provinces, municipalities and so on. One example of this cooperation was the agreement between INEGI and SEDESOL in Mexico, where SEDESOL elaborated the methodological proposal and the technical protocol, and afterwards requested the INEGI to process sensitive census information (census data at the individual level) and to aggregate it at the block level. A similar example was mentioned regarding the use of confidential census data in US. However, this level of cooperation among agencies might not be common in other countries, for example Brazil.

Cooperation agreements, if they exist, should incorporate the local research team as well as people from the municipal government, among other things as a way to have access

to the data. A different type of cooperation is that which involves external or international organisms, such as the UNDP, in establishing collaboration among agencies. Their role could also be important in bridging the gap between the data, its analysis and policy making. The same could be said of the role of the Universities. These institutions might help in finding a common language, particularly at the technical level.

In relation with the potential conflicts among the different levels of government, the democratization of the data was also mentioned as an issue. How to bring the use of this information and the tools to the different parties involved, and how to get it out of headquarters? Experiences in Peru showed that GIS was an instrument that was used extensively, but it also became clear that there was no real coordination among the users of GIS as far as establishing criteria or sharing information. It is evident that such coordination is desirable, but also that not everyone is willing to do participate. The workshop and the project should address these concerns if the aim is not only to resolve the technical problems but also to make these instruments useful for the people involved.

Experiences in Mexico with the creation of an association of GIS users and developers were pointed out as possible ways out of these problems. Organized in working groups, this organization detects problems in the use of geographical information, and seeks to resolve them with the participation of INEGI, the main provider of spatial data in the country. One of the objectives is to try not to duplicate efforts, another common problem in the region, but to complement them, sharing the available information.

Regarding the issues of GIS technology and application, it was pointed out that, in order to make data and tools useful for social purposes, the diffusion of theory and methods of spatial analysis would be necessary. In addition to the issues of data and collaboration/conflict among different governmental agencies, there should be software compatibility among the different countries involve in the project. Related to this, the “north-south gap” and differences in the use of technologies became an issue to take into account.

Collaborative projects, such as the present Mellon initiative are productive in narrowing such a gap by facilitating the diffusion of knowledge. But decentralization policies are also important, in the sense that they force researchers to take into account the

local context and the institutions at the sub-national level. This point was close to that of collaborative work among institutions mentioned in the section above.

Although all participants agreed about the utility of GIS methodologies, there was some concern about the proper use of such techniques. It was pointed out that GIS is more than maps, but in any case it is an instrument and not a solution. Other types of evaluation methods are also needed. According to the experience of some of the participants, GIS seemed to have been used extensively at the national level, but apparently not for the decision making process at all, and it was just beginning to be used for participatory issues.

One of the biggest strengths of GIS is to see problems in a relational way, and with a geographical reference. In this way, the better use of GIS is for experimenting with changing levels of aggregation and information, and in this way to explore variation within areas. Different programs have different needs in terms of geographic level, some of them at the community level and others at the municipal or regional level.

Presentations suggested how useful spatial analysis methods, techniques and data were as policy inputs and for planning by identifying priority areas. To the extent that spatial patterns of social processes are changing, alternative models are needed in order to establish priorities. For example, poverty increases not only in the usual spots, but also in the periphery of the metropolis. However, the next question was how useful spatial analysis would be in the evaluation of the efficacy of policies, for instance by mapping the lack of services coverage or the variation in the quality of these services across space. This could be equally or more relevant in this case as providing alternative policies. However, it was pointed out that GIS techniques might not be suitable or the most adequate tool for some tasks, for example the evaluation of policy effectiveness. GIS may be a very good instrument, but the right questions have to be asked.

Finally, regarding levels of aggregation and analysis, a recurrent topic in the discussion was the question of what would be the best level of analysis. The census track level could be relevant in some situations and not in others. The variation in levels of poverty, quality of services, political organization may be high within administrative units. When the analysis is done without variation of the levels of the analysis, it may be really missing the point in terms of the problems that need to be resolved, because it is possible

that large segments of the population cannot be identified with the variables at hand and at the level of the study. The example was the study of segmentation vs the study of segregation. However, the change of the unit of analysis also presented technical problems. For example, when the scale is reduced, for example to the block level, this could affect quality in terms of sensitivity to missing or lost data.

Concerning this, the relevance of the local level was emphasized, but also the importance of having some sort of working definition or general agreement about its meaning. A related problem was that of the boundaries of the spatial unit of analysis. The project is trying to relate some characteristics of the context –the spatial unit of analysis- to the behavior of individuals or households, and to collective responses. This common problem might be solved if the Project elaborated a state of the art document about how this problem has been approached in the US, for example. It was also emphasized that not only different problems but also projects with different purposes would have different boundaries.

Session 2: Spatial Segregation and Social Stratification in Latin American Cities

Moderator: Edward Telles (University of California, Los Angeles)

Brief Presentations by:

- Francisco Sabatini (Pontificia Universidad Católica de Chile)
- Ruben Kaztman (Universidad Católica del Uruguay, Montevideo)
- Haroldo Torres (CEBRAP, São Paulo, Brazil)
- Christof Parnreiter (IURR, Austrian Academy of Sciences, Vienna)

Discussion

Here the main topics of discussion are: the necessity for a regional approach; the comparison of different characteristics and levels of social and physical distance (concepts introduced in the discussion) and related to this topic the link between social class structures and segregation; the preoccupation for obtaining the right indicators of segregation in the light of the changes that have taken place in Latin-American cities (improvements in the access to services, such as water and electricity); the role of public policy in shaping the cities and the need for policy to tackle segregation; and finally the difficulties presented for a comparative study by the heterogeneity of Latin American cities. This discussion and the questions it raised led to some of the first practical agreements.

Regional perspective. The discussion started with the observation that it is necessary to change the scale of analysis to study regional areas and then to go beyond the urban-metropolitan areas, to analyze the actual *penumbra* existing beyond the core urban areas, which are the ones usually studied. The issue of scale was seen as a fundamental point. In Latin American cities, economic growth, economic activity, labor market developments and migration processes are actually happening outside the urban perimeter, at the regional level. The same can be said of United States cities, particularly in the border areas. Similar remarks (about the scale) were related to the difficulties of identifying segregation when “looking inside” the metropolitan region.

Social policy and urban segregation (urban processes). One of the themes of the discussion in the session was the relation of urban segregation to social policy. From a

policy-making perspective, four kinds of characteristics needed to be combined (universal and targeted policies, demand driven programs and supply driven ones, structural and urgent actions, actions that bring together the three levels of government and the society) and not create oppositions between them.

Social policy contributes to shape the nature of a city's segregation. For example, the state actions that regulated the spatial settlement process in the 70's in Sao Paulo influenced the alternative occupation of land promoted by social movements. See also "urban boundaries policy" in United States cities in the following paragraphs about indicators.

Indicators to measure segregation. Referring to the observation that access to water services and other services is becoming a useless indicator of segregation (given the almost universal access to it, at least in the case of Mexico City), it was pointed out that even when access to services is now apparently universal, the type of access and services that the urban poor have ("alternative", unsafe, precarious socially expensive) still distinguishes their situation from that of others and that work must be done to define indicators that capture this differentiation. In reference to the distinction between night-time and day-time segregation, it was pointed out that even in highly segregated cities, the services that poor people provide for elites entails interactions between these two segments of the population. Qualifying the preceding argument, another discussant stressed the weak role of labor market relations in promoting inter-class social contact. Inter-class social contacts are mainly between the middle classes and upper classes, but there is little possibility of "any relation with the really poor", at least not in terms of labor market relations.

The discussion took up the issue of how to conceive and measure segregation in United States cities. These cities are segregated by socio economic status and by race and ethnicity. Historically, the pattern of United States urban segregation shows a tendency to increase when cities become large scale. This tendency is related to population growth but also to the availability of land. One outcome is a new policy of "urban boundaries" in some United States cities, such as Portland, Oregon, where the city's growth is limited to prevent encroachment on the agriculture area. This policy apparently lowers racial/ethnic segregation in cities (with less land available, more people are concentrating).

Social and Physical distance. Several comments were made about both the differences and also the relations between social and physical distance. It was pointed out that a larger social segregation often accompanies a smaller physical segregation. It was remarked that physical distances almost do not matter in relation to social distances (“they are all important”). And that referring to the case of the cities selected in the project, there are different types of social distance and also different cultural matrixes supporting them in each country. As a result, it is important to study “to what the lower classes aspire and what they think”. Related to this discussion, the question was raised as to what really is being defined as “physical distances”.

The importance of understanding social class stratification in relation to spatial segregation was also mentioned. Specifically what is happening with social stratification in the restructuring of Latin American economies, bearing in mind that stratification is not something that changes in short periods of time? For example what is happening to people of middle class status in terms of education and house ownership, but who become the new poor in terms of income. Another idea mentioned was that the usual focus in Latin America is on the gap between the 10 % of the population on the top of the social class structure and the 90% below it and that it might be important to re-conceptualize this with more attention to intermediate strata.

Heterogeneity or common trends in Latin American cities. Several bases of heterogeneity and consequent difficulties of comparison were mentioned. One set of issues was the absence of a common spatial pattern for the Latin American cities and the changing nature of these patterns. There is also the issue that Latin American metropolitan areas are polycentric and that, consequently, it is currently very difficult to understand the morphology of cities, and to predict the future tendencies of their development. The discussion led to a contrasting point of view. Besides heterogeneity, there are common trends in Latin American cities. They have the same kind of insertion into the world economy.

Questions and agreements. Following the discussion some of the recurrent questions were: How will the areas (cities) be defined? What kinds of cities should be selected? Which are the ultimate units of analysis (census tracks, city blocks, local

government units)? What will be a common definition of segregation? What forms of segregation? What levels of analysis should be considered? As a practical solution to generate an agreement on measures, all the researchers will complete a common questionnaire. Another suggestion was to handle the information at the level that would make possible a concrete input into the development of urban communities and provide policy solutions.

Session 3: Directions for Future Research on Urbanization

Moderator: Andrés Villarreal (Department of Sociology, The University of Texas at Austin)

Round-table Discussion Summary

The moderator introduced the discussion identifying some points to be considered in terms of methods, data and focus, summarizing the discussions of sessions 1 and 2. Topics included the availability of data for spatial analysis and the convergence of methods for the study of intra-urban population differentials in Latin American cities, including the comparability of variables across vendors.

Two of the relevant issues for data were the discussion on level of analysis, particularly what is the best level of analysis for different topics, and then the problem of availability and “ageing” of the data. Associated issues were related to the level of specificity of the variables, the difficulties in getting the desirable breakdowns, or the problems in getting the necessary variable for the analysis. One solution for this was to engage different institutions in the analysis.

An essential point for a comparative project like this was the comparability of variables across countries, sources, vendors, software, and so on. For example, in the case of Argentina, the census does not collect income data, so comparisons based on this variable would not be possible. It would be necessary to look for a group of variables available across countries that could make useful indicators. There are a range of variables that measure segregation through outcomes, such as environmental risk, housing quality and status, garbage collection, and so forth.

Another topic was the focus on the uses of spatial analysis, which in turn affect the kind of methods that are used. One set of uses concerns social policies, identifying deficiencies in these policies, or improving their effectiveness through, for example, mapping the spatial concentration of populations with special needs. Location of individuals in areas of great disadvantages seems to affect negatively the life chances of such individuals, even after controlling for individual and household variables. Finally,

there is the issue of changes in the patterns of urbanization in Latin America, over time and by country. One issue that was not really discussed was that of race/ethnicity.

The necessity of discussing the bases for comparisons across countries was addressed several times, pointing out the methodological and conceptual problems. It was agreed that there are common trends affecting the large Latin American metropolises, but that each of them has its own timing. There were also issues related to the size of the cities, and others related to institutional variations (social policies, decentralization issues) that it would be necessary to take in account when doing comparisons. The questions to be answered were: a) Do common methodological bases and common denominators exist? b) What are the variables that make a difference across cities? For example, cities may differ in terms of the structure of their urban economy and have a different pattern of spatial development, both responding to different development processes. The spatial development of the city may be associated with, for example, the migration patterns of the city and the places where migrants have settled. This has affected the social and spatial structure of the city as a whole.

In terms of variables, institutional ones would need to be included, and this was linked to the problem of how to analyze the different institutional capabilities for implementing public policies of each governmental level? This was mentioned as an important issue in Brazil, for example, where there is great heterogeneity across municipalities, depending on the place they have in the urban system, among other things.

A quite different question was the issue of the purpose of the projects, what they wanted to change or modify, how they were going to change it, and who were the relevant actors for this change. A closely related question inquired about what were the scenarios for the change at the different levels (micro, meso and macro) and what was the level at which information should be made available in order to produce these changes. What, for example is the access of local communities to information about the spatial distribution of services? This is relevant because that should be the level at which the information should be handled.

A number of data limitations and methodology challenges and complexities were mentioned in relation to the comparative aims of the projects, and in this context efficiency

becomes an imperative. A proposal for achieving efficiency was to take a social problem, for example unemployment and structure of opportunities, and then to attempt to see how spatial segregation would affect that problem. A central issue that may bring together the two parts of the seminar is precisely unemployment. How is employment or unemployment in the poor sector of the society affected by the geography of opportunities that define segregation? One connected suggestion would be to address day-night segregation through the topics of transportation, accessibility, and so on. Also, if the project is going to compare metropolitan regions, it is necessary to have a common definition of a metropolitan region. The question was: what are the regional or local dimensions to be compared?

A relevant issue in terms of patterns of urbanization is the changing relationship of the social classes with the city core. In colonial times, there was a positive correlation between the center of the city and higher status, but that has changed dramatically. Upper classes have fled the inner city and have relocated in the suburbs, escaping from the poor. But there are different trends and this flight has not been the norm in all Latin American cities. In some of them the upper classes maintained their position in the core city, and consequently in some places poverty is associated with the periphery and not with the downtown area. These different trends have consequences for the quality of life in the cities, which is generally better in those places where the well to dos have not abandoned the center all together. For example, in Sao Paulo the traditional core is moving, but there is still a center. The interesting thing is that, in this city, income shows relatively low levels of spatial segregation, while education showed a much clear spatial concentration. This indicates a different type of segregation, which may be based on education and which may be based on cultural differences.

The issue of city centers and suburbanization was discussed further as a key factor in determining possible levels of comparison. With some exceptions, North American and Latin American cities are clearly different in this respect and they belong to different urban evolutions, with Latin American cities more similar to European cities. But within this general model, there are also differences. In some Latin American cities, the elites remain in the center of the city, and the center has expanded or has changed, and one possible

interpretation for that is that in certain cities the elites, with the help of the state, have tried to build a copy of a European city.

There is a difference between those cities where the center is progressively moving to a different location with certain continuity and those where there is a real abandonment of the center. In this respect, Buenos Aires, Montevideo and Santiago are very different from Bogotá. The question is: why in some cities elites leave the downtown and in others they do not? This was brought up as an important point of research. In some cases the state has played a role, by locating government buildings in specific sectors, coincident with the wealthier areas. This pattern is, again, similar to that of the European cities, which include, as do the Latin American cities, the entire spectrum of social classes, except the one that is characteristic of the Third World, the informal poor, which can make up to 60% of the population in Latin American cities. In general, there is a historical trend to keep the center as an alternative place for the elites. Finally, the utility was questioned of framing the discussion in terms of primacy and centers. The answer was that they still maintained their utility as conceptual categories.

Urban sociological studies from outside Latin America could provide valuable suggestions for the projects' future hypotheses. One such suggestion is the positive effect of the dispersion of ethnic concentrations, which in turn reinforces the idea that spatial segregation is negative. Another is the evidence about the role of segregation in the American ghetto, which is to keep social pathologies isolated. Crime concentration in the ghetto is not new, but is 'normal'. Although these examples are from the US, they may be pertinent to the Latin American case as hypotheses. What would happen if the *favelas* were perfectly isolated from the rest of the city? What would happen if the more economically and politically powerful groups segregate or isolate themselves from the rest of the society?

But, what is the cause of the dispersion of metropolitan centers? More research is desirable on this topic. One possible explanation is that they are incorporating adjacent neighborhood towns. Another one is that centers are following financial or labor market displacements and thus the evolution and spatial differentiation of economic activity contribute to the dispersion of the city core in several centers.

However, it was pointed out that Latin American cities are characterized by having a poly-nuclear structure, and by re-concentration movements. In the example of Sao Paulo, it is clear that there is not a unique center. There is the historical center, but there is more than one center and each of them reproduces its own periphery, with transitional spaces between each center. It is consequently difficult to delineate the morphology of a metropolitan area. In addition to this, each social class builds its own centers over time. There is mobility and constant change that is difficult to predict since even a turnaround in concentration is possible.

In relation to urban government, it was mentioned that it is also necessary to focus on what has been the public policy response to social problems. There are examples from US and other developed countries of policies oriented to disperse poverty spatially, for example demolishing public housing, but what are the foundations of these policies?

Finally, the necessity of focusing on operational aspects of the project was mentioned. Some of the relevant questions in order to organize collaboration were: a) How to evaluate the different levels of data availability across countries? b) How to organize the methodological references to define or choose spatial data in order to work collectively? c) How to solve the scale issues? Regarding methods, the questions were: a) what are the levels of access to technology tools? b) On what aspects of segregation will the project focus?

There were also several other practical issues to take into account that were related to operational aspects of the projects. One of these aspects was the definition of areas, how city limits were going to be defined. A related aspect was identifying the minimal spatial units of analysis available in each country, and the definitions of these units, which could have the same name but different meanings. Finally, it is necessary to know, for each country and city, what type of data is available and what are the relevant and available variables. A proposal was approved to develop and send a questionnaire about these questions to each participant.

Session 4: Informal Economy and Labor Markets: Recent Trends

Moderator: Alejandro Portes (Princeton University, Princeton, NJ)

Brief Presentations by:

- Guillermo Wormald (Pontificia Universidad Católica de Chile, Santiago)
- Luz Marina Díaz (PRC, The University of Texas at Austin)
- Marcela Cerrutti (CENEP, Buenos Aires, Argentina)
- Marina Ariza (UNAM, Mexico City)

Discussion

In order to set the stage for all the Workshop participants, the introduction of the session included an overview of the projects involved in the second Mellon project on urbanization and urban life and spatial segregation.¹ This second project is a joint one between the Population Research Center at Texas and the Center for Migration and Development at Princeton, with the participation of Pennsylvania State University (Leif Jensen). The second project seeks to compare aspects of urbanization in six Latin American countries: Argentina, Brazil, Mexico, Uruguay, Chile and Peru, addressing the changes during the last 20 years, which are more or less equivalent to the years of neoliberal experiments. One theme is the evolution of urban systems and the issue of primacy. Another theme are the tendencies in the labor markets in terms of employment, unemployment and informal employment, not only in terms of numbers but also in terms of the change in character and function of informal employment in these last decades. A third theme is the evolution of crime and the perceptions of insecurity in cities by the population. Finally, the last theme is the study of the forms of popular organization and mobilization that occurred in these years in the context of decentralization policies and the changing role and downsizing of the state (the issue of the ‘withdrawal’ of the state).

These studies, which will be conducted by national teams in each country, are coordinated by Dr. Portes in Argentina, Mexico and Brazil, and by Dr. Roberts in Peru, Chile and Uruguay. One of the first tasks is to provide standard information about the

countries. However, the presentations of this session are not based on the research of the second Mellon project, although three of the participants are part of the project. The papers presented in the session may be considered a return to fieldwork, to the empirical enterprise and an effort at problematizing the general theoretical categories, analyzing them in order to build updated and better theoretical types. The discussion centered on job market issues in the different countries, particularly unemployment and related programs and policies, and the different dimensions of the informal economy.

One of the topics concerning unemployment was the social exclusion that it creates and government actions to decrease it. In the case of Chile, for example, there is a strong emphasis on job training (capacitación). However, the problem is to know if this type of program is really useful in inserting unemployed people in good jobs, because what seems to be increasing is the movement from unemployment to precarious employment. Even the demand for precarious job is increasing. At the same time, educational levels have increased dramatically in Chile and, consequently, there has been a kind of devaluation of education credentials, in the sense that there is a more highly educated labor force doing more precious jobs. Job-training policies should face this demand problem.

Segregation and unemployment may be related, and the exploration of the links between the two may be another point for research. It would be interesting to know how and through what mechanisms the lack of external connections of people living in segregated and poor neighborhoods influence employment and the general opportunity structure.

Unemployment insurance is not universal. In Argentina, for example, unemployment insurance covers only 10% of the unemployed population, and employment policies are in fact financial assistance for the uncovered population. In Argentina, there are some requirements in terms of job training, but these have not generally been effective, as in the case of *Plan Trabajar*. A different reaction to unemployment in Argentina has been the creation of cooperatives, organizations of workers that take over the firm to avoid bankruptcy and the loss of their source of employment.

¹ The actual Workshop is part of the first Mellon project on Urban Governance and Intra-Urban Population Differentials, which is based in the Population Research Center of the University of Texas in collaboration

What is the role of the state in these processes? The general consensus was that it has changed. The Mexican labor force, for example, has been used to paternalistic relationships, especially public employees. This is not the rule anymore. Mexico is now at the beginnings of labor deregulation, which is paired with welfare and poverty mitigation programs, including policies targeting the most vulnerable sectors. In Mexico, the state has always had an important role in bringing together the different actors – such as unions and firms -- for the signing of productivity agreements. However, this has not been successful in the case of some of the larger multinationals.

The discussion about informality focuses first on its definition and particularly on its identification with no regulation (meaning lack of government regulation). It was noted that deregulation is increasing for formal activities that are tied to the changes in the state-capital relationships. The significance of this trend was that some of the old definitions and distinctions within informality are still valid, but that it is necessary to consider the presence of gray areas. Once these new gray areas had been investigated, it would be possible to tell if the old definitions are still useful. The distinction formal/informal played an important role when the discussion was focused on why open unemployment was not high in many Latin American countries. Today, this distinction may not be so clear.

A quite different question about the informal sector was related to its actors and whether they were the object or the subject of the study. There was not an easy answer to this. From the point of view of the papers presented in the session, they are the object of research and are studied through household surveys. To transform them into the subjects of the project it would be necessary to explore the kind of social reality in which these people are inserted, and for this it would be necessary to do qualitative work.

The spatial dimensions of informality and the importance of location for small firms and the informal sector in general were other important points of the discussion, although often researchers on labor markets do not take account of the spatial dimensions of the topics. Spatial dimensions of informality could be one possible link between the two Mellon projects. There are clear links between spatial segregation and informality, although there is no clear methodology for approaching this issue.

with the Urban Affairs Institute of the University of Texas.

The segregation and decentralization of cities are two of the factors that allow micro and small enterprises to develop. It could thus be potentially important to look at the kinds of services and products that these firms offer and at who are their clients, since location may be acting in terms of demand and supply. A derivation of this point was the statement of the importance of exploring the physical forms (boundaries) of different markets, including those of the financial sectors, as in the issue of funding micro enterprises and cooperatives. Related issues are available and required infrastructure, including transportation systems. Micro firms are probably located in the areas of population concentration, since this type of firm grows following the expansion line of the cities, where there are workers and customers. Consequently, there is a tendency for the economy to decentralize, but at the same time there is a trend toward the concentration of this particular type of firm in certain locations.

The experiences of micro credit lines provided by NGOs in Chile were presented as an example of the links between spatial locations of micro enterprises and the characteristics of these firms. The results of these experiences showed that the micro credit approach could work if there is a community (a strong social capital network) that supports the activities, but that results are also contingent upon localization. Micro entrepreneurs tend to work in isolation, sometimes just with their family and with small, but intensive networks. If the programs are targeted solely to the entrepreneur, the business is likely to work in isolation. Further considerations here are the composition of the markets, where the firms sell their production and to whom. At times micro enterprises sell their products within reciprocity networks that are disadvantageous. The small, intensive network helps and supports micro enterprises when there is a crisis, but it can also be an obstacle to the growing capacity of the firm. In these cases, location or the *where* becomes the key issue. These comments on the negative effects of very dense and small social networks are coincident with recent findings of economic sociology, and consequently the study of the type of network in which informal firms are involved is a priority.

Another aspect of the policies targeting informality was the willingness of the small and very small firms to adhere to them and become a part of the formal economy and the advantages and disadvantages of such a decision. Finally, there are not clear, general,

homogeneous policies for the informal sector. Taking the example of Chile, many of these policies act at the local level, for example through programs of relocation of street vendors. It is necessary to remember that informality is very functional for the neoliberal discourse of deregulation and flexibility.

Within the discussion about informality the case of the *maquilas* in Mexico was raised, as one of the first outcomes of deregulation. The discussion centered on the impact of maquilas on the de-concentration of the economy and on the general impact of deconcentration in other countries (where it occurred). Although there is no consensus about the role of the maquilas per se, there is some agreement about the importance of the comparative advantages that some countries have in terms of 'cheap' labor, which is a root factor behind the case of the maquilas. These "islands of productivity" have had a minor impact in the redistribution of population at the national level, but the impact at the local level has been considerably larger. This raises again the issue of the scale of analysis. Although the work in the maquila is highly deregulated, from the point of view of some of the workers, for example women, these jobs are a blessing, although the benefits are minimal --just insurance, transportation, three meals a day and a weekly salary. These conditions are relatively better than what was available before in the area.

Another point is the regulatory capacity of the state (strong or weak), the capacity of the state to implement its own laws, and the regulatory intention of the state. It will be necessary to look at the systems of social protection in the countries where informality is being studied. Research is needed on whether the success of the state in deregulating and privatizing weakens the capacity of the family, the community or the civil society to protect when the state disappears. Regarding regulations, one of the participants recommended the book by Kessler and Minujin "La nueva pobreza en la Argentina". The industrial model has changed. It is not that there are no industries any more, but that they are different. And also the growth is not as high as it was in the import substitution period, and is located in certain areas and economic sectors. A further point is the dynamic or non-dynamic character of the informal enterprise. In the Import-substitution period, many informal enterprises took advantage of those niches in the economy that the large-scale firm found unprofitable. There are still profitable niches left behind by large-scale capital,

which can be used by these informal activities or firms. It is necessary to know what are the areas of interest and profitability for large-scale capital to understand the insertion and development of informality in the economy.

Session 5: Neighborhoods, Civil Society and Governance

Moderator: Peter Ward (LBJ School of Public Affairs, The University of Texas at Austin)

Brief Presentations:

- Anarita Diaz Muñoz (SIEMPRO, Argentina)
- Shannon McConville (University of California, Los Angeles)
- Alba Zaluar (State University at Rio de Janeiro, Brazil)
- James Joseph (Alternativa, Lima, Peru)

The starting point of the session was the issue of the government's participation and collaboration in multi-jurisdictional metropolitan areas. There are peculiar problems involve with governments in large metropolitan regions since most of them are composed by multiple jurisdictions, without a common governing body. Because of this, it may be relevant to think again in terms of levels of analysis, focusing especially on the levels at which participation in the government process are occurring (local, municipal or metropolitan)

Another point of discussion was the definition and measurement of "neighborhood". Is it a scenario, a census track, or the result of focalizing on a series of conditions? Does this concept have a meaning or is it useful any more? How do we plot neighborhood in terms of their social dynamics, for example participation?

One of the suggestions was to consider neighborhoods as contexts for something: resources, assets (including social and human capital), habits, and socialization. In this sense, they act as part of the opportunity structure. These dimensions should be evaluated in each instance in order to define which are the limits of a neighborhood. On the other hand, there is a perception of the limits of the neighborhood and there is research showing that the perceived limits coincide with some objective limits. The definition of this multidimensional context – the neighborhood - is one of the problems to solve in the project. The methodological problem is how to capture this, and one of the suggestions was to use origin-destination surveys in innovative ways.

An interesting concept to explore in relation to the aforementioned is the territorial interest community. The territory is more important for the poor than it is for the rich, among other things because the non-poor is able to use transportation to define interest communities that are not built on spatial contiguity. The poor define common interests (“comunidades de interes territorial) in terms, for example, of services and infrastructure.

However, the neighborhood or “barrio” is also an objective fact that may be defined according to the research question. It may be not so important to define the limits of the object and instead the specific type of problem –security, transportation and so on- is what should be emphasized. One of the presenters mentioned that in the US neighborhood in this sense tends to be very similar to census tracks in size. The degrees of poverty in a neighborhood as perceived by the local population and as measured at the census track level were very similar, although other measures were not. Different measures may and should be used to capture the subjective definitions of neighborhoods. The bottom line was that it is more difficult to define neighborhood in subjective terms than it is to define them in objective ones, among other things because meanings are not as easily available in terms of objective indicators.

A parameter for demarcating a barrio is identity, which is related to the defense of one’s own interests, but also with the place for leisure. Identity means to feel that one is a relevant actor, and in this sense it is associated with interests and self-esteem, because the neighborhood is the place where rights are recognized. An issue to explore could be the expansion or contraction of these identities. There is an elite that can expand its space, but the general trend in popular urban sectors is to contract, to retire to smaller spaces. One hypothesis to explain this in many Latin American countries is the experience of past dictatorships.

Identity was associated also with the perception of the limits of neighborhoods. There are cases of popular organization that founded the neighborhoods and these neighborhoods have as a consequence a strong identity. The dramatic crisis suffered by Argentina at the end of 2001 fueled the creation of neighborhood organizations at the level of “barrios” of the big cities, the “comités barriales”. This relates to the idea of the neighborhood as a space of organization and defense but also of demands. However, the limits of a

neighborhood may be clear to people due to other social processes. In Brazil, for example, violence has undermined neighborhoods, and has made their physical limits more obvious because of the dangers of crossing these limits. In shantytowns, social institutions may define neighborhoods, as is the case of the *scolas do samba* in Brazil, or other social activities such as soccer matches. These social activities and institutions also enable the interaction of people from different neighborhoods. In Brazil, the interference of trafficking and gangs is damaging these social activities and identities. On the other hand, ethnic identification is not strong in Brazil, with the possible exception of Sao Pablo.

The social or collective meaning of the neighborhood could be related to its origins. The example here was the experiences of “*loteos*” (subdivisions) in Brazil. *Loteos* give the residents a clear date for the beginning of the neighborhood, and also define what kind of people lives there. In general, people are very clear about what is their neighborhood, their life (living) space or “*espacio de vida*”, although they may not be clear in terms of precise boundary limits.

In the identity vs. objective fact issue, it could be adequate to use place (*lugar*) instead of space or territory, because it would have different meanings for different groups. Place is a space with history, and this is different for each group according to its experience. These different meaning for a same place make this space complex in addition to being objective.

The issue of urban governance moved the discussion to the topic of the interactions of neighborhoods with governments at different levels, and in particular to the question of the provision of infrastructure. The typical answer was that these relationships have generally adopted two forms: clientelistic relations through voting mechanisms, and informal relations. These relationships have different histories, in particular regarding municipal governments, but overall the relationships between governments and neighborhoods and their organizations are marked by prejudice and suspicion. However, local government is an essential element in the welfare of a neighborhood. Some problems were identified, for example the weakness of community organizations, the excessive weight of the role of the NGOs, or the risk of progressive detachment of local leaders from neighborhood needs as leaders expand their horizons. However, various participants

stressed that community leaders were valuable and valid mediators or facilitators between the government and the local community. There are also new actors. For example, in Brazil drug traffickers emerged as a new political actor, making alliances with traditional political actors and acting as intermediaries. Other examples are religious groups, for example Pentecostals, and NGOs.

To sum up, there are a number of processes that seem to undermine the social fabric of neighborhoods, among them poverty, unemployment and violence, which build pressures on civil society. Several solutions for this were mentioned, among them participatory planning in the distribution and development of services.

Conclusion Session

Closing Remarks by Alejandro Portes, Bryan Roberts, and Robert Wilson

- Identification of key research issues for future research

In his closing remarks, Dr. Portes provided a rationale for the selection of the topics of the project as well as responses to some of the issues that had emerged during the two days discussions. One of the topics of these comparative projects is to compare the evolution of the urban systems and primacy over time, by asking what has happened during the last decade. In general, primacy declined and there was a rapid growth of secondary centers, some away from the central city, others very close to it. This was in part the response to the shift from the importation substitution model, which tended to concentrate people in cities with industrialization, to the export-oriented model, which could be potentially centripetal. The questions to explore were: a) in the last decade, is there more or less balance in the urban system? b) what is the relationship between the current model of development and the government policies in the 1990s?

Another topic involved the study of the labor market, the informal economy and employment, and the change in character of the informal enterprise, which in turn is related to the shift from regulated to unregulated and flexible markets. The new economy is characterized by the decline of the formal proletariat (in the public and private sectors) and its political power, a decline in the associated political parties, and the growth of different forms of entrepreneurship. One of the topics brought to the table was the issue of violence and victimization and how they affect deprived sectors. This is pertinent to the project because, in the new model, with the removal of protection for vast sectors and the message of competition and individualism, crime may be described as an “alternative” form of entrepreneurship, related to changes in the model of development.

In a more qualitative approach, the project will also attempt to examine the new forms of mobilization and demand-making by low-income groups both in terms of their discourse and in the forms in which they organize to make demands. It will be necessary to look at the role of these new forms of mobilization in the context of the new economic policies and unemployment.

The Informal economy has been defined as non-regulated activities in a context in which other similar activities are regulated by the state. What happens when regulations are eliminated in the new model of development? There are several responses.

First, as government intervention in the labor market declines, the differences between informal and formal activities blur, losing meaning. It is a return to the beginnings of capitalism. Historically, the formal sector appeared after the informal one, it is the younger sector. But there will never be a complete elimination of the state, because some form of state regulation is a pre-requisite of the operation of modern capitalist markets, for example to ensure that contracts would be observed.

Second, maintaining the distinction between formal/informal sectors makes it possible to study the differences between formal and informal jobs in the different development models. Today, there are unregulated and bad jobs in the formal sector. Therefore, informality is not simply synonymous with bad jobs or poverty and because of that both terms are necessary.

Finally, informality may be studied from the point of view of the enterprise or the activity or from the point of view of the individual (the worker). This approach allows us to explore the heterogeneity of informality. There are informal activities in the streets that can be classified as subsistence activities and there are informal activities that involve exploitation of dependents. But there is also work under contract that can be considered as linked to accumulation, which means that these types of informal activities have a potential for accumulation.

Dr. Wilson began his participation by reviewing some of the issues that were discussed during the workshop: social stratification, segregation, urban government, changes in the spatial structure of the large metropolis, growing inequality, the spatial distribution of informality. A common denominator is that the social space of the metropolis is changing, becoming more unequal, and that two elements needed to explore and explain this change are the spatial distribution of both informality and segregation.

But the question remains: How do cities generate inequality or social segregation? The patterns, causes and outcomes are complex and heterogeneous, and in many respects they

are time dependent, varying from city to city. It may be useful to contrast cities on these patterns.

There are policy and government issues as well. One of these issues is to study the distribution of infrastructure, which is the outcome of historical and political processes and which tends to be particularly unequal. This is also related to the process of decentralization, which will delegate the provision of all services to the local level, at least in theory. However, the results of decentralization vary enormously from city to city, and it is necessary to understand this fact for the project to have the analysis of urban governments as one of its goals.

Regarding GIS data and methodologies, one example of their usefulness would be the identification of areas where there are people at risk, in terms of education, health or environment. Another example would be the mapping of inadequate infrastructure. But for these activities to become possible, one of the next steps has to be to survey what data is available for each city, identifying several areas of interest such as education, health, environment and so on.

Finally, Dr. Roberts addressed the question of what the two projects have in common and how to make use of the commonalities in order to establish bases for collaborative work. In studying urbanization in the 20th century, one of the underlying themes is the change in urban stratification in Latin America. That can be done using traditional sources such as censuses, but stratification has also an important spatial element to it. Actually even the classical analysis of class had a strong spatial urban dimension, in terms of spatial segregation and the formation of working urban class neighborhoods. This spatial reinforcement of class common to many of the industrial cities of late 19th century and early 20th century Europe is rarely evident in contemporary Latin American cities. So what is the relationship between the changing patterns of social stratification in Latin American cities – whether we measure that stratification in terms of status or interest groups - and spatial distribution?

The spatial dimensions of informality are based on two of its characteristics: the flexibility of the informal enterprise and its functionality for the formal sector. The informal enterprise was always a flexible enterprise, based in the family, which exploited

niches in the market, often through sub-contracting from formal enterprises. Flexibility was based in kinship and non-contract relationships and a limit on the growth of an informal enterprise was the loss of flexibility when it became more bureaucratic. Both flexibility and functionality have spatial implications. We can hypothesize that the informal enterprise is embedded in locality relationships and in localities that facilitate sub-contracting and access to clients.

There is a different type of scenario created in the contemporary period when governments are faced by the dilemma of needing to ease regulations to create jobs, while at the same time ensuring that workers are not over-exploited. This is an acute dilemma for programs designed to promote micro and small-scale enterprises. One possible answer to this dilemma is to base regulation not on universal inflexible standards, but on local participation and knowledge. This can be done through the formation of grass roots regulatory organizations. This is another interesting issue to look at, particularly in terms of the spatial distribution of enterprises in communities.

A final point that ties both projects together is how neighborhoods and by extension communities are being created. Nowadays they are increasingly created by outside intervention, partly from the state. The targeting or focusing of social and other government programs become an important element in the creation of neighborhoods and communities. The actions of national and international NGOs have similar implications for the definition of neighborhood and community. This is a new reality in Latin America, more in some countries than in others that our research needs to explore.

During the discussion, one of the topics that surfaced was how to study change given the fact that change seemed to be the distinctive mark of the 1990s. The big problem associated with this is of course data. For example, in the case of Mexico and other countries it is possible to compare data from the early 1990s with the late 1990s. But a more useful comparison would be to compare the 1979s or the early 1980s with what is happening now. This is a real challenge because data for this type of comparison is difficult to get.

Some participants expressed doubts about the usefulness of the concept of primacy in a period of interlocking economies and globalization. But at the same time that population

and especially production became more spread out in a country and less concentrated, key economic institutions like financial services are heavily concentrated in cities.

Consequently, what primacy is measuring, in terms of what it is that is concentrated in the primary city, may be changing, and in that case, the concept has less utility.

Dr. Portes acknowledged that the concept of primacy was not as important as the formal/informal divide. However, it should be kept for several reasons. One of them is that the concept was very important in the early urbanization literature, which is the starting reference point for the project, and tied to dependency analysis. Another reason is that although the concept has changed, there is still a concentration of the control functions of the economy in just one city and even in a few blocks of that city. This is a novel aspect of contemporary urbanization that is worth exploring.

Another question addressed the problem of the state as regulator. Three different classes of state action could be distinguished: provision and production, franchise of services, and pure regulation of private sector activities. When the state not longer provides services, for example, the regulation functions became more important and necessary.

It is important to understand the relation between state and private sector, and what the state regulates. The state has protection and regulation functions that have changed over time. The first thing that the state regulated from the beginnings of capitalism was the observation of contracts, for the protection of the investors and capitalists. That is the protection that the states offer to the formal firms. Then came the protection of the public with regulations on products, service, investments, and so on. Lastly came protection of workers. Today the state is far less protective of workers and consumers, but there is not a complete elimination of these protections. With privatization, the state ceases to be an actor in the economy and becomes a regulator. Therefore, the question may be reformulated to focus on what the state regulates.

It was mentioned that a new type of regulation or protection is that based on the local community. There are historical examples of this type of regulation, and they are related to non-segregated places (cities) and to social diversity in space. This reinforces the importance of the issue of segregation. The spatiality of informal economy and other social processes becomes essential to understanding and to explaining social change. Protection

based on spatial continuity and community could be an important issue in the research agenda. Finally, it was observed that it is not possible to think about informality without thinking of the institutions that produce it. The discussion of these institutions of regulation in each country should be also part of the agenda.