



The Political Economy of Regeneration

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Neither September's World Population Conference in Cairo nor this week's Brazilian election addressed an issue that may define the future viability of modern societies: the threat of rising adult mortality, warning of implosion of many urban populations. Especially vulnerable are aging populations suffering from malnutrition whose public health systems have been damaged by impoverishment and chronic inflation.

The starkest warning comes from the former Soviet bloc, where life expectancy of men has diminished steadily over the past three decades. Breakdown of public health systems accelerated during the collapse of communism in the 1990s. Russian mortality rose by 20% in 1993, following a 7% increase in 1992. Mortality among Russian men of working age rose by one-third in 1993 alone, as life expectancy of men at age 30 fell by 4.5 years since 1986-87. Resurgence of epidemic diseases in Latin American cities is another dangerous sign. More ominous is the economic collapse of African cities, swollen by poor migrants in the fastest long-term growth of urban population that the world has ever seen.

In São Paulo, the threat of rising adult mortality can be seen in the emergency ward of the Hospital das Clinicas, the largest medical complex in Latin America, resembling New York's Bellevue Hospital in its size, its dingy appearance and the importance of its emergency facilities. The corridors of the emergency ward are like congested streets, with traffic obstructed by stroke victims lying on cots, in varying states of agony and consciousness, obstructing the traffic of doctors, nurses, orderlies and relatives. There are no hospital beds for stroke victims, even though São Paulo has become a world leader in incidence of cerebral hemorrhage, due to the failure of local public health clinics to provide simple care for people suffering from hypertension. Doctors say that 75% of stroke patients die in the emergency ward if they remain more than 24 hours.

Even in rich countries, disturbing trends are appearing. Throughout Britain, despite the universality of its National Health Service, mortality among men aged 15-44 has risen since 1985, reversing a long-term trend of decline, as adult mortality among the poor resurged to levels not seen since the 1940s. Outside the rich countries, data on most poor populations is scarce. However, Latin America's cholera epidemic shows how survival systems, especially water and sewage networks that defend cities against infectious disease, have weakened dangerously under pressures of migration and population growth. Over the past two years, Fortaleza in the Brazilian Northeast has suffered the worst cholera outbreak of any Latin American city outside Peru, which since 1991 has been stricken with one of the biggest cholera epidemics on record anywhere. The impact of cholera in Fortaleza this year was compounded by new outbreaks of dengue, meningitis and leptospirosis spawned by the failure of basic public health infrastructure.

Given the threat of implosion of urban populations, the essays by Tarun Dutt on Calcutta and Shane Hunt on Lima in this issue of Braudel Papers generate hopeful messages that collapse can be avoided in cities suffering from overload and fatigue. These messages imply that cities can develop a political economy of regeneration to reverse disorder and decline. The elements of this political economy of regeneration are: (1) balanced fiscal accounts; (2)

credible government; (3) cooperation between political and business leaders; (4) responsible social policies and (5) international support.

The experiences of Calcutta, Lima and Fortaleza show that regeneration can be achieved along these lines, albeit unspectacularly and with continuing risk of relapse and failure. "Avoiding catastrophe in Calcutta has been no miracle," Dutt writes. "Instead, it has involved the stubborn pursuit of survival in the face of grave dangers posed by political convulsions and the relentless pressure of numbers and desperate poverty. Survival has demanded cooperation and the end of self-destructive conflicts. It has challenged our will to live and mankind's capacity for adaptation and innovation. Our will and capacity will be tested even more severely in the future."

The political economy of regeneration involves the continuous adaptation of institutions to changing conditions. Focusing on problems of survival enables communities to overcome tensions and conflicts involved in reform, a key element of political evolution. According to Vaclav Klaus, prime minister of the Czech Republic: "The reforming politician must guard against 'reform fatigue.' He must be able to formulate a clear and lucid vision of a future which is both attractive and achievable; he must explain this vision to his citizens and defend it against populists of all shades; he must implement a consistent reform strategy and introduce unpopular and painful measures as and when they are needed; and he must not defer to rent-seekers and lobbyists who pursue their own short-term advantage to the detriment of society as a whole."

Most political reforms develop under very difficult conditions. Calcutta suffered two major shocks earlier in this century. First, the capital of British India was shifted to New Delhi in 1912, depriving Calcutta of public employment and investment and many jobs indirectly dependent on the flow of public funds, an experience repeated by Rio de Janeiro since 1960. Second, Calcutta was flooded with refugees after the partition of India in 1947. Born as a British trading post in 1691, Calcutta is a younger city than New York, Rio de Janeiro or Lima. It dramatizes problems and solutions facing cities pressured now by problems of scale which have failed to consolidate sudden bursts of growth over the past century.

Calcutta's burst came as population quadrupled from 469,000 in 1891 to 1.7 million in 1911, around the same time as New York's was tripling to 5.6 million from 1880 to 1920. In similar bursts, Los Angeles grew from a small town of 11,000 in 1880 to become the fourth-largest city in the United States, with 1.2 million people by 1930, even before the automobile and government-guaranteed home mortgages eased the postwar expansion that transformed it into today's megalopolis of 10.5 million. After the Bolshevik Revolution restored its role as imperial capital, Moscow's population grew fivefold from 970,000 in 1920 to 5 million in 1940. Between 1900 and 1930, the population of Detroit multiplied fivefold to 1.6 million. Lima's population grew from only 100,000 in 1900 to seven million today. All these inflated cities now must manage daunting problems of scale, demanding new solutions. All must find ways of dealing in civilized ways with growing surplus populations of adults, many of them unskilled and not easily absorbed into modern economic systems, with clearly defined codes of rights and obligations.

Brazil has its own problems of urban consolidation. As elsewhere, the share of people living in Brazilian towns and cities grew fast in this century. Urban population rose from 11% of the total in 1920 to 75% today. The number of Brazilian cities with at least 20,000 inhabitants multiplied from only 51 in 1940 to nearly 500 today. In 1960 Brazil had only two cities of at least one million people; today there are 11, with São Paulo and Rio de Janeiro ranked among the world's ten biggest metropolitan areas.

Problems of scale are many-sided, often dramatized by crises in water supply. Fortaleza now has 2.5 million people, after multiplying tenfold since 1950. While its population grew by roughly two-fifths since 1980, Fortaleza's total consumption of water multiplied fivefold. This huge increase in water use in a region subject to severe droughts was driven by several factors: (1) rapid economic growth; (2) big migrations from the drought-stricken interior of

Ceará State; (3) massive leakage from a deteriorating urban water distribution system; (4) failure of water prices to cover delivery and maintenance costs. When the Northeast was stricken by a three-year drought in 1991-93, water supply in Fortaleza approached collapse by September 1993, barely averted when the state government built a 115-km. canal in only 89 days to tap water from a distant reservoir.

Other big cities seek similar emergency solutions in water crises bred by neglect of problems of scale. The highland metropolis of Mexico City, with 18 million people, pumps water uphill from a site 2,000 meters below the city and 200 km. away, using six power plants of 1,000 megawatts each. Half of China's 570 cities suffer from serious water shortages, which may grow worse if the share of China's 1.2 billion people living in cities doubles, as expected, over the next two decades. China is starting a 10-year, \$10 billion project to build a 1,100-km. aqueduct, crossing 219 rivers and streams, to avoid collapse of water supplies to Beijing's 12 million people.

The cholera epidemics in Calcutta, Lima and Fortaleza drove governments toward policies of regeneration. All three epidemics followed great surges of migration. The 1958 cholera outbreak in Calcutta erupted among the flood of migrants that swelled the city after India's partition in 1947. The 1991 epidemic among cities of Peru's desert coast followed intensified migration from the Andes in response to drought and political violence. The 60,000 cholera cases in Fortaleza since 1992 were concentrated among new migrants after the city's favela population grew from 358,000 in 1985 to 545,000 in 1991, a 52% increase in six years. The impact of drought and epidemics in Fortaleza would have been worse if policies of regeneration had not bred responsible public finance and investment, cooperation between political and business leaders, improved efforts by state and municipal governments to contain the effects of poverty and international support to improve urban infrastructure, especially water and sewage systems. This also happened in Calcutta, a much poorer urban society where infant mortality is half the Brazilian average. The level of human organization is what matters and the political economy of regeneration can make a difference.

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