



# 2011 ANNUAL MEETING

September 19 - 22, 2011 ★ Sheraton New York Hotel and Towers

## Jobs, Jobs, Jobs Plenary Session: Megacities, Mega Challenges

Tuesday, September 20, 2011: 5:30 – 6:30 PM

### I. Session Objective:

This panel will explore the challenges faced by global megacities, and will highlight innovative, effective strategies to catalyze sustainable employment, and livable environments in the urban growth hotspots of the world.

### II. Summary of Discussion:

#### MODERATOR:

**Maria Bartiromo**, *anchor, CNBC*

#### PANELISTS:

**James N. Mwangi**, *managing director and CEO, Equity Bank Limited*

**Gavin Newsom**, *lieutenant governor, The State of California*

**Janette Sadik-Khan**, *commissioner, New York City Department of Transportation*

**Luis A. Ubiñas**, *president, The Ford Foundation*

**Yang Jiechi**, *minister of foreign affairs, People's Republic of China*

**Carlos Slim Helú**, *founder, Fundación Carlos Slim*

**Ms. Bartiromo:** What changes have you seen in the way urbanization in China is playing out?

- **Minister Yang:** Because of policy reform in the past 30 years, China has seen its urban population go from 18 percent to 50 percent of citizens. Our projection is that in the next 20 or so years, the urban population will grow to 900 million people. We are focused on improving the quality of life of city residents. Urbanization is central to modernization, generating consumption and growth while leaving rural dwellers with more land and resources.

**Ms. Bartiromo:** In Nairobi, we see a city representative of the issues of urban inequality. What have you done to create opportunities for the poor in the city?

- **Mr. Mwangi:** We're seeing an increase in urban growth because of the belief that cities hold opportunities. These are young cities where the state cannot provide sufficient infrastructure. New urban dwellers are young people who are fairly well-educated, creating opportunities for groups like Equity Bank. This is a population of people who can be formally banked and help us meet an economy of scale for providing low-income financing.

**Ms. Bartiromo:** What can foundations do to accommodate people moving to cities?

- **Mr. Ubiñas:** No amount of nonprofit capital can do this alone. We need billions, not millions, which means our role as a foundation is to encourage governments to regularize low-income city dwellers by issuing ID cards, land titles, and citizenship. Only through regularization do people begin to create capital and opportunity and unleash the potential that density creates. People will help themselves, but government policy must allow them.

**Ms. Bartiromo:** Mr. Slim, you've mentioned the private sector can play a role in infrastructure development. How?

- **Mr. Slim:** Big cities are the consequence and cause of modernity. To make megacities work, the population must have public services – power, electricity, water, drainage, education, health. These services, to work, must be profitable. By licensing these out, the government can alleviate some of its burden and ensure modern services with high standards are delivered. By allowing these concessions—for roads, bridges, housing—

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government is allowing private investment to create jobs in construction, for example. Because of current interest rates, these projects are possible through financing and crucial to sustaining economic opportunity.

**Ms. Bartiromo:** What are the real challenges to the environment? Where are opportunities to take action?

- **Lieutenant Governor Newsom:** Only 3 percent of the world population lived in cities in 1800; now, it's over 50 percent. How can we advance and prosper together given the huge stress in resource allocation, sanitation, and water scarcity that megacities cause? We must reconcile the human aspect of it, given the diversity of circumstances and opinion of people in cities. A step to doing this investing in human capital.

**Ms. Bartiromo:** How have you tried to make New York a more livable city?

- **Commissioner Sadik-Kahn:** Mayor Bloomberg's PlaNYC initiative recognized that New York was still growing, and we wanted to ensure that in 2030, the city would be able to handle increased stress. We decided to reduce environmental impact and improve quality of life. The key was improving transportation: more places to walk; easier bus routes; and bike lanes. There are low-cost moves that can be made to improve quality of life.

**Ms. Bartiromo:** How is bureaucracy a barrier to growth?

- **Commissioner Sadik-Kahn:** Federal guidance in the US has been written without regard to density, forcing us to look locally to rewrite the rules.
- **Lieutenant Governor Newsom:** Cities are laboratories of innovation. There is a learning capacity of seeing what works immediately and knowing whether or not to scale. And this is thanks to technology and the ability to use data. We can use innovative traffic systems, predictive policing, and mobile apps to reduce red tape.

**Ms. Bartiromo:** What are the challenges in China and what is to be done?

- **Minister Yang:** Though encouraging investment and consumption, cities threaten the environment, safety, and social cohesion. The overall strategy in China is to increase the size of small- and medium-size cities as a "cluster" rather than allow megacities to keep growing. Railways and highways make that possible, allowing people to join nearby cities and towns without putting additional stress on megacities. To make our megacities more environmentally friendly, we want to incentivize hybrid and electric cars.

**Ms. Bartiromo:** How do you get innovation moving enough to create jobs? Where is innovation in the world today?

- **Lieutenant Governor Newsom:** California has succeeded by investing disproportionately in human capital.
- **Commissioner Sadik-Kahn:** When you marry sustainability and livability, you attract the world's best talent.
- **Mr. Mwangi:** M-PESA in Kenya has created over 100,000 jobs. Mobile innovation can create jobs.
- **Minister Yang:** Every crisis leads to innovation. Energy shortages in China have caused investment in alternative energies, fostering powerful partnerships across sectors.

### III. Opportunities for Action:

**Mr. Mwangi:** Private sector investment must be encouraged by changes in the regulatory situation of cities.

**Minister Yang:** Investing in infrastructure generates not only jobs in the short-term, but long-term public goods.

**Mr. Slim:** Invest in education that can yield jobs: information technology, environmental care, health care. There are sectors with a growing supply of jobs that need to be cultivated.

**Mr. Ubiñas:** Availability of credit is a scalable, systematic ecosystem and must be improved for creative micro-entrepreneurs, as well as to help small- and middle-sized businesses reach their potential to create jobs.

**Commissioner Sadik-Khan:** Cities can take small steps to make a big difference, like making Times Square a pedestrian zone. That helped business boom.

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**Lieutenant Governor Newsom:** Public-public partnerships must be encouraged – leveraging city and federal funds, as well as NGOs and unions. This can demonstrate that existing resources can be invested in more beneficial and creative ways to yield public goods.

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