

Exposé

Inequalities in Cities

Dimensions of Urban Inequality and Solutions for its reduction

Inequality is one of the most pressing challenges of our time – especially in cities of the Global South. This study examines the various dimensions, causes and effects of social, economic and environmental inequalities. It presents practical strategies on how cities worldwide can become more just and sustainable. The study also reflects on practical examples from Ukraine, Bangladesh, Peru, Brazil and Senegal.

Dimensions of Inequality

Inequality manifests itself on several levels. While **inequality of opportunity** affects access to education, work or healthcare, **inequality of outcome** is reflected in the unequal distribution of income and wealth. A distinction is also made between **vertical inequality** (between individuals) and **horizontal inequality** (between groups, for example along ethnic or social lines).

Indicators such as the **Gini index** and the **Palma ratio** are used to measure these inequalities. Regions such as Latin America and sub-Saharan Africa display the highest levels of inequality. Supplementary approaches such as the **Inequality-adjusted Human Development Index (IHDI)** and the concept of **Shared Prosperity** provide additional insights into the depth of disparities.

New development policy perspectives

The global development agenda is currently changing fundamentally: transforming from poverty-centred policies towards a targeted fight against structural inequalities.

Besides, the responsibility of privileged groups is increasingly being addressed. Issues such as **gender-responsive housing** and **adequate housing for all** (UN-Habitat 2026-2029) are increasingly taking centre stage.

Urbanisation in the Global South

By 2050, a large part of future urban growth will take place in **Asia and Africa** – regions that already have to deal with great pressure due to urbanisation. The consequences: Overburdened infrastructures, growing informal settlements, environmental problems and social fragmentation.

Urban planning in particular faces enormous challenges. Institutional capacities and planning systems cannot keep pace with rapid urbanisation. Disadvantaged population groups suffer from inadequate transport planning, insufficient infrastructure and limited opportunities for participation. The structural duality of the labour market - formal versus informal –exacerbates economic inequalities.

Climate-Friendly and Integrated Urban Development

Cities are responsible for about 70% of global CO₂ emissions and are severely affected by climate change. Poor urban dwellers are especially vulnerable to environmental problems such as heat islands, air pollution and water scarcity. Climate adaptation measures, such as the equitable distribution of green spaces or the expansion of sustainable water supplies, are therefore essential. Although cities in the Global South are sometimes more progressive in their climate planning than those in the North, practical implementation and funding often fail.

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Sustainable Construction and Mobility

In view of the high demand for housing, informal settlements are emerging in many places – often with poor building quality and inadequate infrastructure. At the same time, the construction sector harbours great potential for reducing CO₂ emissions. Energy-efficient construction – especially using local, sustainable materials – can not only reduce emissions, but also improve quality of life and health. However, funding gaps often prevent the implementation of such measures, especially for poorer households.

There are also major levers in the area of **sustainable mobility**: the expansion of public transport systems – such as Bus Rapid Transit – can promote social participation, shorten journey times and improve air quality. Complementary measures such as waste management, electric vehicles in local transport or intelligent transport planning also help to reduce urban emissions.

Municipal Financing – the Key to Implementation

Many cities in the Global South do not have the necessary financial resources to realise basic services and infrastructure projects. Their own sources of income, such as property tax, often remain unutilised. In addition, only about 20% of the largest cities in developing countries are considered creditworthy. Innovative approaches such as **Land Value Capture**, the use of digital tax technologies (e.g. in Ghana) or the involvement of traditional elites (e.g. local chiefs in Congo) offer promising approaches. International programmes such as the **Global Infrastructure Facility** or project preparation facilities (CFF, Gap Fund) can facilitate new sources of funding.



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Solutions for more Equitable Urban Development

Just urban development must rely on **strong institutions, clear ownership structures and participatory processes**. Urban planning must not be implemented exclusively top-down and behind closed doors but must actively include the needs of marginalised groups – be it in terms of housing, transport planning or access to the labour market. Tools such as ‘Our City Plans’ or ‘#HerCity’ show how inclusive planning processes can be organised in concrete terms. Recognising and integrating the **informal sector** in particular is crucial for equitable development processes. Access to land, services and contracts must also be guaranteed for marginalised groups such as street vendors or waste pickers.

Conclusion: Equity as a Guiding Principle of Urban Development

The just design of cities is not a purely technical task, but a profoundly political one. Inequality can be actively reduced if urban planning, housing, mobility, environmental and financial policies are specifically geared towards the needs of disadvantaged population groups. This study makes it clear that the future of global justice will be decided in the cities of the Global South.

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