Private Sector Consultation
Corporate Social Responsibility Towards Harmonious Cities

Summary

MAJOR ISSUES

A consultation meeting of private sector companies committed to corporate responsibility examined ways of improving living conditions and achieving harmonious cities. They discussed responsible business practices for sustainable urbanization and the core principles that can address it. They also discussed affordable technologies and business models that can work for the urban poor at the bottom of the economic pyramid, so that cities and towns are safer, more equitable, harmonious – and better for business.

DEBATE

Mr. Lawrence opened the session emphasizing the importance of and the need for creating opportunities to enable the private sector to play a bigger role in the improvement of the lives of the urban poor. One of the biggest challenges the private sector is facing today is to find ways to improve urban neighborhoods without destroying low income housing and other informal settlements. The poor are not only a source of hidden wealth but also a great source of intellectual capital.

MODERATOR

Gordon Feller, CEO, Urban Age Institute, USA

PANELISTS

J. Gary Lawrence, Urban Strategy Leader, ARUP, USA

Nie Meisheng, President, China Real Estate Chamber of Commerce, China

Eduardo Sevilla, Member of the Executive Board, Global Housing Foundation, USA

Ramin Keivani, Director, International Land Markets Research Group, Oxford Brookes University, UK

Edmundo Werna, Construction Industry Expert, International Labour Organisation

Daniel Cukierman, Director of Veolia Transport, China

Inga Klevby, Deputy Executive Director of UN-HABITAT

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Ms. Meisheng emphasized the important role the private sector plays in urban development. The private sector in many countries is the biggest employer and contributor to the national income. In many instances, it also plays an active and a crucial role in disaster relief measures, which is a clear manifestation of its corporate social responsibility.

Mr. Sevilla, referring to the Global Housing Foundation (GHF), underscored the need to bridge the gap between the civil society and the private sector. GHF’s mission is to provide affordable housing for economically disadvantaged families. Recently, an agreement was finalized with UN-HABITAT and Merrill Lynch to provide up USD 250 million in long-term financing to allow the working poor to finance their home purchasers.

Mr. Keivani emphasized the policy issues with regard to private sector’s role in the low-income housing sector, particularly the informal sector. There needs to be a paradigm shift to remove barriers incrementally in order for the private sector to be able to meet the demand for housing and services at the bottom of the pyramid. For that, partnerships between local communities, civil society organizations and the private sector is imperative.

Mr. Werma underlined the importance of the construction industry as a main driver of the economy. But it also accounts for one third of CO2 emissions. Climate change provides an opportunity to generate new ‘green jobs’ through the need for mitigating such emissions.

Mr. Cukierman focused on forging strong cooperation between private operators and the public authorities in order to build sustainable cities. Success of urban projects relies on decisive public sector policies that set clear rules and fees to the customers in order for operators to come up with workable solutions. Seoul Metro System and Bogota Transmilenio Projects were mentioned as successful business models that are based on cooperation between strong local governments and Veolia.

Mrs. Klevby concluded the special session by saying that business cannot succeed in a society that fails. Therefore, all stakeholders need to have a clear interest in helping to create functioning cities that are good places for doing business. Building and sustaining the city with the private sector is a strategic direction for UN-HABITAT, which is committed to act as a catalyst between partners for a better and sustainable urban future.

**Summary and Conclusions**

Urban sustainability is a prerequisite for private sector development and the creation of harmonious cities. The new climate change paradigm has triggered a new focus on innovating technologies and other ways to do business that will lead to the usage of less resources and higher outputs, with less emissions. This requires pushing the current market systems towards the creation of wealth at optimally sustainable points through socially and environmentally responsible business.

In the light of climate change, a new framework is needed that will regulate and foster growth by improving the bottom line through business practices that will sustain profitability and environment, as well as society in the entire urban fabric. This new paradigm also demands a new way of doing business that will also harness the strengths of partnerships and collaborations to sustain further investments into research and development of greener technologies on the pillar activities that drive urban economies. A balance needs to be struck where we use technologies to leverage the negative impacts of urbanization without adversely affecting the economic gains and benefits it brings to humanity. While there are not quick-fix solutions in the market place, the effort to find the optimal point should be encouraged. By collaborating with the urban poor, developing the market chain at the bottom of the pyramid, innovative business models, affordable and flexible technologies, the private sector is bound to gain from lessons of optimal business productivity, commercial revitalization and enhanced social and ecological consciousness.

For more information on this event, please contact: Christine Auclair, Chief, Private sector Unit, UN-HABITAT, christine.auclair@unhabitat.org