



Global Governance Futures

ROBERT BOSCH FOUNDATION
MULTILATERAL DIALOGUES

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Make or Break: How Will Cities Shape Future Global Challenges?

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About the Program

The Global Governance Futures program (GGF) brings together young professionals to look ahead 10 years and think of ways to better address global challenges. Building on a decade of successful rounds of the GGF program, GGF 2030 convened 27 fellows from Brazil, China, France, Germany, India, Indonesia, Japan, South Africa, and the United States (three from each country). Over the course of 2018 and 2019, the fellows participated in four dialogue sessions, which took place in Washington, DC, New Delhi, São Paulo, and Paris and Berlin.

The GGF 2030 fellows – selected from the public, private and non-profit sectors – formed three working groups, each focusing on one key global issue. For this round, they focused on the futures of global order, the global migration and refugee challenge, and the role of cities in global governance.

Using strategic foresight instruments, including scenario planning and risk assessment, the working groups produced scenarios for their respective issue areas. Based on their findings, the fellows put together a range of products that outline scenarios of potential global governance challenges of the coming decade and ways to address them.

In addition to learning about and implementing the scenario planning methodology, our fellows met with leading policymakers and experts from each participating country, whose insights helped shape the scenarios.

The findings, interpretations and conclusions expressed in this report are those of the authors and do not represent the views of the organizations they work for.

Introduction

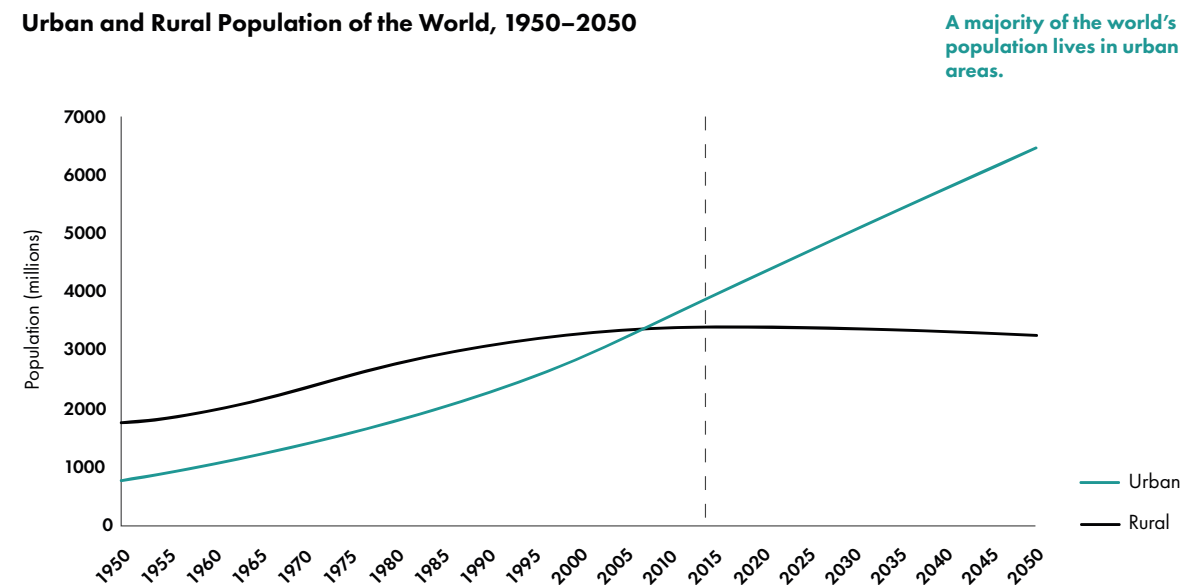
FOCAL QUESTIONS

- › Will we see cities instead of national governments carry out sustainable development initiatives?
- › What role will cities play in the future of global governance?
- › What will cities, mayors and civil society groups need in order to jointly advocate for and lead policy changes?

Our Urban Futures

Between 1950 and 2015, the world's urban population rose dramatically from 751 million to 4.2 billion. By 2050, over 68 percent of humanity will likely live in urban areas.¹

Urban and Rural Population of the World, 1950–2050



¹ United Nations Department of Economic and Social Affairs, 2018, '68% of the world population projected to live in urban areas by 2050, says UN,' available at <https://www.un.org/development/desa/en/news/population/2018-revision-of-world-urbanization-prospects.html>

The size and shape of cities – and consequently the challenges they face – are unprecedented. In 1970, Tokyo and New York City were the only two 'megacities' with more than 10 million inhabitants. Today 33 such megacities exist (and Tokyo is now home to 38 million people). Other major contemporary centers of global economic connections² and power, such as Dubai and Singapore, have rapidly emerged in the last two decades and redesigned the way the world moves and grows. Cities of the 'Global South' have also become pivotal to

urbanization. Every hour, 79 new people move to New Delhi, 27 move to Jakarta and 18 to São Paulo, to name only three of the many booming new hubs of an urbanizing planet.³

At the same time, this is by no means just a story about megacities. McKinsey's Global Institute estimates that the core engines of global economic growth are and will continue to be the approximately 577 'second tier' cities where most urbanization now takes place.⁴

There are currently 33 megacities on Earth...



... with another six on the way by 2030.

Major global geopolitical shifts and initiatives like China's Belt and Road Initiative are set to further accelerate urbanization. Key urban centers in the West are also being reshaped by these new geographies of power. Take, for example, the magnitude of Doha's influence on London's development, which accounts for more than a third of

Qatar's £35bn investment in the UK⁵: over 26 million square feet of commercial property are now owned by the gulf city state in the heart of the old colonial empire. Today, cities are pivotal in shaping the world economy, international relations, and the future of an increasingly crowded and interconnected planet.

² Prag Khanna, 2016, *Connectography: Mapping the Future of Global Civilization*, New York: Random House

³ LSE Cities, 2006, 'Towards an Urban Age,' available at https://issuu.com/lsecities/docs/ua_summit_berlin_newspaper

⁴ Richard Dobbs, Sven Smit, Jaana Remes, James Manyika, Charles Roxburgh, and Alejandra Restrepo, 2011, 'Urban world: Mapping the economic power of cities', McKinsey Global Institute, available at <https://www.mckinsey.com/featured-insights/urbanization/urban-world-mapping-the-economic-power-of-cities>

⁵ Gulf Times, March 28, 2017, 'Qatar is planning £5bn UK push despite Brexit,' *Gulf Times*, available at <https://www.gulf-times.com/story/542184/Qatar-is-planning-5bn-UK-push-despite-Brexit>

A recognition of the importance of cities for the future of the planet is now clearly inscribed into major international frameworks – such as the UN Sustainable Development Goals⁶ – as well as key regional organizations (see, for example, the European Union’s urban agenda⁷). It is also embedded in major philanthropic and business forums, like the World Economic Forum Council on Urbanization, as well as in civil society and academia, where we see major international programs on cities like the Urban Age Programme at the London School of Economics and Political Science.

The challenges ahead are no less momentous than the path that got us here: close to 60 percent of the infrastructure projected to further enlarge our cities by 2030 is yet to be built.⁸ Cities are now projected to contribute up to 70 percent of the total greenhouse gas emissions⁹ and more than 80 percent of the global GDP¹⁰ is generated in cities today. The world will need to finance \$78 trillion in global infrastructure over the next 10 years alone to accommodate the projected global urban growth.¹¹ New York City, Beijing, Shanghai, and London alone need \$8 trillion in investments. It is clear that global governance will, in the years to come, need to pay even closer attention to urban

issues as central to all areas of international affairs.¹² This signals challenges for heads of states, international philanthropists and CEOs.

Cities and their leaders have not been idle in the past quarter of a century. They have moved to the center stage in many global forums and institutions. Coalitions like the C40 Climate Leadership Group have inspired over 14,000 city-based climate action¹³ programs since 2011. The Under2 Coalition¹⁴, which is made up of more than 220 subnational governments who represent over 1.3 billion people and 43 percent of the global economy, or networks like United Cities and Local Governments (UCLG)¹⁵ and ICLEI-Local Governments for Sustainability¹⁶ have been playing a key role in ‘urbanizing’ major multilateral agendas like the Sendai Framework on Disaster Risk Reduction and the Sustainable Development Goals (SDGs). There might be more than 300 such active networks¹⁷ around the globe. City mayors are now regularly engaged in international politics: New York City’s Mike Bloomberg was appointed by the UN Secretary General as the first UN Special Envoy on Cities and Climate Change¹⁸ and Paris Mayor Anne Hidalgo convened an ‘urban’ dialogue of the G20¹⁹ in Argentina in

2018. The dialogue is set to continue in 2019 at the G20 summit in Japan.²⁰ Cities intersect with today’s most talked-about global policy challenges: UK mayors like Bristol’s Marvin Rees and London’s Sadiq Khan are increasingly vocal²¹ on topics like Brexit and stand in direct dialogue with the EU despite their central government’s stance.

Cities’ and their leaders’ role will continue to be pivotal in the years and decades ahead as the forces that have created an urbanized planet do not seem to be waning. Looking at what (urban) futures we might be facing, what global role cities will play in international affairs, and what opportunities and threats are on the horizon for them is imperative for all global governance experts, whether they have urban expertise or not.

Why Scenarios?

To tackle and prepare for future challenges, it is crucial to identify threats that might emerge under conditions different from those of today. Considering a time horizon of approximately 10 years, we engaged in a process to create scenarios in order to anticipate alternative developments that are equally possible and – although perhaps not highly probable – very plausible.

There are some aspects of the future role of cities in tackling global challenges that we can already confidently foresee until 2030. For example, many cities will dramatically change due to rapid urbanization and population growth. These cities in particular will have to fight an uphill battle to meet the needs of their citizens, especially considering a rather slow pace of change due to electoral and budget cycles. We can also see the landscape of cities changing due to shifts in power, competition and cooperation dynamics within and between cities as well as between cities and their surrounding regions and nations.

Other aspects are more unpredictable and should therefore be treated as fundamentally uncertain factors that can work in various directions, leading to different outcomes. How will changes in migration patterns, the frequency and severity of

natural disasters (man-made or otherwise), inequality, trade, or security impact cities? Where will we see the urban-rural divide growing, where will it diminish? Will cities always act as democratic spaces? How will the relationship between public and private actors in the city develop? How will technology change the way cities operate and provide public services?

In thought experiments, we developed different answers to these and other questions. In the following section, we outline the scenarios and provide a short description of our methodology. In section three, we move from anticipation to action and propose possible policy projects to prepare for the future, today.

Scenarios are thought experiments used to anticipate long-term changes and potential future challenges. They are foresight instruments that help us better understand complex systems and delineate what could be possible in the long run. They do not have any claim to predict the future. However, scenarios are useful tools for thinking about dynamics that do not fit our current mental maps and theories. The following scenarios were developed in a structured group process.

6 See <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

7 See https://ec.europa.eu/regional_policy/en/policy/themes/urban-development/agenda/

8 Jonathan Woetzel, Nicklas Garemo, Jan Mischke, Martin Hjerpe, Robert Palter, 2016, ‘Bridging Global Infrastructure Gaps,’ McKinsey Global Institute, available at <https://www.un.org/pga/71/wp-content/uploads/sites/40/2017/06/Bridging-Global-Infrastructure-Gaps-Full-report-June-2016.pdf>

9 Stephen Leahy, March 6, 2018, ‘Cities Emit 60% More Carbon Than Thought,’ *National Geographic*, available at <https://news.nationalgeographic.com/2018/03/city-consumption-greenhouse-gases-carbon-c40-spd/>

10 The World Bank, 2019, ‘Urban Development,’ available at <https://www.worldbank.org/en/topic/urbandevelopment/overview>

11 Jeannette Rodrigues, March 23, 2017, ‘Our World’s Fragile Cities need a \$78 Trillion Boost,’ *Bloomberg*, available at <https://www.bloomberg.com/news/articles/2017-03-23/our-world-s-fragile-cities-need-a-78-trillion-boost>

12 Elizabeth Rapoport, Michele Acuto, and Leonora Grcheva, 2019, *Leading Cities: A Review of City Leadership*, UCL Press <https://www.uclpress.co.uk/products/123816>

13 C40 Cities, 2019, ‘Benefits Research Programme,’ available at <https://www.c40.org/benefits>

14 See <https://www.under2coalition.org/about>

15 See <https://www.uclg.org/>

16 See <https://www.iclei.org/>

17 Michele Acuto, September 28, 2016, ‘Give cities a seat at the top table,’ *Nature*, available at <https://www.nature.com/news/give-cities-a-seat-at-the-top-table-1.20668>

18 UN, March 5, 2018, ‘Secretary-General Appoints Michael R. Bloomberg of United States Special Envoy for Climate Action,’ available at <https://www.un.org/press/en/2018/sga1791.doc.htm>

19 U20 Buenos Aires 2018, ‘About U20,’ available at <http://www.urban20.org/en/about-u20>

20 Ian Klaus, October 31, 2018, ‘The Urban 20: A Contemporary Diplomatic History,’ *Diplomatic Courier*, available at <https://www.diplomaticcourier.com/2018/10/31/the-urban-20-a-contemporary-diplomatic-history/>

21 Mayor of London/London Assembly, 2017, ‘London’s Global and European Future: a response to the Brexit paper,’ available at <https://www.london.gov.uk/about-us/mayor-london/londons-global-and-european-future-response-brexit-paper>

Overview: Three Scenarios for the Future Role of Cities in Global Governance

Factor	Scenario 1: Cities defend globalization	Scenario 2: Nations take over cities' role	Scenario 3: Cities fail to adapt
Relationship between cities and their nation states	Cities are independent in numerous aspects from their nation-state	Cities are dependent on their nation-state	Cities are independent of their nation-state in managing migration and/or trade flows
Degree of privatization of cities	Private utopia where city services are privately run and of high quality	Public provision with insufficiencies/ low levels of access	Exclusionary privatization model, where some city residents have access to quality services
Provision of security in cities	Hard/formal: 'surveillance city'	Soft/informal: 'good citizenship'	Hard/informal: 'violent cities'
Degree of city-to-city cooperation	Cities cooperate through structured mechanisms	No city-to-city cooperation	Highly structured / Low city-to-city cooperation
Degree of virtual citizenship	Virtual citizenship as core trend (many cities offering and full offering)	No virtual citizenship	The Estonian model (countries, not cities offering and full offering)
Degree of backlash against globalization	Existing general anti-globalization trend, with cities as the few places still supporting globalization	Backlash causing a diminishing role for cities internationally	Some cities are against globalization, some are still supporters (no widespread backlash)

Scenario 1: Cities Defend Globalization

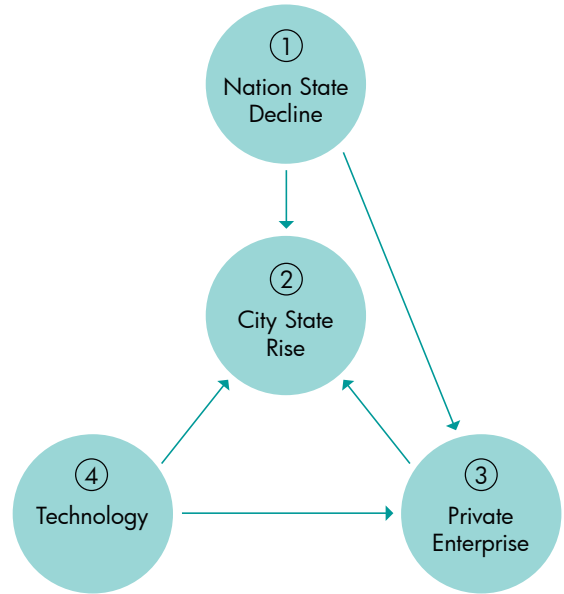
It is the year 2030 and new types of physical and virtual territories have emerged. Due to rising anti-globalization movements, nation states have become increasingly isolationist. In parallel, the growth of technology and private enterprise contributed to the creation of new forms of cities with 'functional sovereignty', which have become the last bastions of globalization.

Functional sovereignty has allowed some cities and city states to have full control over their citizenship, territory, and engagement with the global system. They have a key role in the following areas: controlling city borders and immigration; taxation; the flow of goods and provision of services including transportation, healthcare, education, and security; and determining and executing locally-applicable laws including entitlement laws, land permits, business permits, and citizenship laws.

The biggest global challenges are the various attributes of anti-globalization, or the "isms" – nationalism, radicalism, and isolationism. Cities have taken on the challenge of defending the positive attributes of globalization, defined as diversity, tolerance, free trade, openness, and capitalism. At the beginning of the 21st century,

the vast majority of cities were intrinsic parts of their states with little autonomy; in contrast, in 2030, several cities have gained significant autonomy and some are even completely privately run, that is, founded, developed, serviced, and governed by private enterprises. These cities have banded together to varying degrees.

Four interlinking factors have enabled cities to act as defenders of globalization:



Decline of Nation States

A strong backlash against globalization has led to the decline of the nation state, including the decline of the Bretton Woods system. The early 21st century saw the emergence of right-wing leaders, with India electing Narendra Modi in 2014, the United States electing Donald Trump as president for the first time in 2016, and Brazil electing Jair Bolsonaro in 2018. This trend continued: in 2025, US citizens reelected Trump for a third term, made possible by a string of constitutional amendments. The US administration continued its isolationist migration and trade policies as well as the US-China trade war, both of which have led to a \$2 trillion drop in the country's GDP, weakening the national government and engendering widespread discontent. France's exit from the EU in 2026, following the UK's vote to leave in 2016, caused a domino effect which led to the de facto dissolution of the union several years later, further decentralizing power on the continent. More and more trade wars have

had an adverse effect on nation states (developed and developing) around the globe.

Continued and increasing migration, combined with rapid urbanization, rising nationalism, isolationism, and radicalism, have all led to increased security concerns, tighter national borders, and a general lack of openness and global cooperation. Because of the nature of urban centers (which are diverse, liberal and economically powerful), this general anti-globalization trend has caused growing economic and cultural divergence between urban and non-urban areas.

Some cities acted against this trend and attracted diverse international populations, positioning themselves as defenders of openness, tolerance, equal opportunity, and global cooperation. As a result, some (but not all) of the world's most powerful cities have pulled ahead.

Rise of City States

New types of physical and virtual territories have emerged between 2018 and 2030. Whereas in 2018 the vast majority of cities were dependent on their nation states (i.e., they had very little autonomy), by 2030 some cities have gained various degrees of sovereignty.

After London's declaration of functional sovereignty from the UK in 2027, following a referendum, several other cities — including Amsterdam, San Francisco, Barcelona, Hong Kong, Goa, and Fukuoka in Japan — followed suit due to the widening gap in the values and priorities of cities versus nation states. At the same time, fully private cities — those founded, developed, serviced, and governed by private enterprises — have also emerged, built on land purchased or licensed from state,

regional or national authorities. The first two fully private cities — Google City and Facebook City — were founded in California in 2023. Since then, Google City has “franchised,” founding cities in two other locations: one outside of Johannesburg in South Africa and the other close to Perth in Australia. Lodha Group, Bhartiya Group and Sri City founded private cities in India in 2023. Meanwhile, Amazon has functionally taken over one half of all services in Seattle since 2021, when it began offering mobility and health-related services to Seattle citizens, with tax incentives for Amazon members.

In 2025, facing anti-globalization and anti-city forces from without, several autonomous (public and private) cities led by Jeff Bezos and the mayors



By 2030, some cities have gained various degrees of sovereignty. Source: Singapore Skyline/Wikimedia Commons

of London and San Francisco formed the City Union, a supra-city political structure with a clear mandate to make decisions (as opposed to only facilitating them, as was the case in previous city networks) and the aim to share technology infrastructure, data, service provision, and new sets of legislation facilitating cooperation between cities. These cities rely heavily on technology and the private sector for data sharing, provision of services, and citizen engagement, among other things. Furthermore, because of their functional sovereignty, these cities are able to create a new set of ‘universal laws’ applying to all the signato-

ries via new methods of compliance monitoring and self-policing. Microsoft's twelve-year effort to institutionalize the Digital Geneva Convention, which came to pass in 2030, is one example. This new set of laws covers hitherto unregulated spaces such as autonomous vehicles and human rights in cyberspace. Other, more traditional cities are also participating in this supra-city structure to varying degrees. The creation of functionally sovereign, private, and franchised cities has led to greater cooperation at city level, which acts as a powerful counterbalance to the forces of anti-globalization from without.

Increasing Role of Private Enterprise

The increased power and influence of private enterprise and technology has enabled a small number of wealthy cities to ‘break away’ from the nation states to which they had previously been subject. In 2018, Apple’s cash balances exceeded those of the United States and the United Kingdom.²² In 2025, Amazon and Apple reached market value of \$2 trillion, while other companies like Google have had a higher GDP than some nation states since 2018.²³ These private companies have a large and/or exclusive role in providing city services and, in some cases, even total control over city operations. This role has developed through many routes: from a company’s growth leading to it exerting a large influence over the city where it is located (for example, Amazon’s control over Seattle), to a company actively starting to provide ‘urban’ services traditionally associated with the public sector such as transportation, security, utility services, and even fully-accessible public decision-making with respect to road construction, educational systems and healthcare. These companies strengthen their involvement in cities with an aim not only to attract top talent despite strict global migration control, but also to gather data, develop new lines of business, and to embody their belief in the attributes of globalization and serve their economic interests.

It is important to note that the private provision of services has in some cases been exclusive. It has gone so far as to create a formalized system of unequal residency and access to goods and services. In fully private cities, this occurs based on employment. For example, an employee of Google living in Google City has access to a different set of services like healthcare, transportation or education than a non-Google employee living in the same city. The same trend also occurs in ‘traditional’ cities where the private sector has taken over the provision of traditionally public services like housing, transportation and others, based on self-selected memberships. For example, an Amazon Prime member has preferential access to healthcare and transportation, when Amazon has taken over the provision of these services in a given city. However, in some cases the private provision of services has been inclusive and universally accessible.

The existence, concentration and growth of private enterprise in cities offering ‘functional-sovereignty-as-a-service’ has made some cities less reliant on nation states. This has enabled some cities to defend globalization in order to attract talent and serve their own economic agendas.

22 Tim Worstall, April 13, 2014, ‘Fun Number; Apple Has Twice As Much Cash As The US Government,’ *Forbes*, available at <https://www.forbes.com/sites/timworstall/2014/04/13/fun-number-apple-has-twice-as-much-cash-as-the-us-government/#451a054d5570>

23 Sophie Murray-Morris, ‘Apple and Microsoft have bigger cash holdings than UK,’ *The Telegraph*, available at <https://www.telegraph.co.uk/finance/businesslatestnews/10760392/Apple-and-Microsoft-have-bigger-cash-holdings-than-UK.html>

Increasing Role of Technology

With increased urbanization, migration and mobility, the pressure on governments (of all sizes) to provide services better and faster has grown. Virtual forms of citizenship, which in 2028 became widely offered by nation states, city states, private companies, and others, have been crucial in achieving this goal. The technology underpinning virtual citizenship is inherently decentralized in that it removes the middle man: first in voter administration, marriage offices, and dispute resolution (by 2025), then notaries and government administrators (in 2027), and finally banks (in 2030). These have all been moved to cyberspace to answer the demands of the citizen or consumer. Citizens can choose from a menu of services to subscribe to and they are taxed accordingly. For example, in 2030, it is possible to educate children in Finland, have healthcare from London, and start a business in Google City, all without leaving one’s home.

Due to the growing backlash against cities and the growing urban-rural divide, the security situation

in cities (or threats aimed at cities) has become more concerning. Combined with higher technological capability, this has enabled the autonomous governance structures of public or private cities to create their own visa and immigration rules, policing and information-sharing systems as well as surveillance capabilities, and has led to the accumulation of economic and social data as well as regulation for the purpose of rating citizens. For example, in 2022, Alibaba began to provide social security and surveillance systems in the new Indian (private) cities, which have since reduced the role of city governments. Control and political power have become increasingly centralized.²⁴

Technology has enabled cities to meet citizen demands, to cooperate globally, and to create new, innovative forms of citizenship, thus enabling mobility and diversity on a global scale.

Conclusion

Since 2019, the decline of the nation state and the simultaneous rise of the city state – enabled by new technological capabilities and private enterprise – have created a new landscape of urbanization. This change has primarily been brought about by the de facto autonomy of some cities, and specifically privately-owned cities, as well as the increasing polarization between cities and

non-urban areas. In turn, these factors have changed the definition of governance, citizenship, and territory. In 2030, a new set of powerful, sovereign cities have banded together to take on rising global challenges in an increasingly polarized world. What this means for the future of nation states and more traditional cities remains uncertain.

24 Stephen Graham, 2010, *Cities Under Siege: The New Military Urbanism*, London: Verso, see <https://www.versobooks.com/books/365-cities-under-siege>

Scenario 2: Cities Have No Power

It is the year 2030 and cities' power has been significantly weakened. Over the past decade, cities have struggled to address their own affairs. As a result, belief in their ability to shape global agendas has decreased. Forces of nationalism, combined with cities' failure to effectively address local challenges such as housing, environmental management or wellbeing, have led to power struggles between local and national governments. As a result, most nation states have taken on greater control over local authorities and municipal finance.

Throughout the first decade of the 2000s, cities, as the political actors with the greatest proximity to their citizens and a better understanding of their territory, were expected to address local and global challenges. There were high hopes for city networks and city-to-city cooperation to build local capacity that would ultimately lead to local economic development. But cities experienced severe competition for investments and talents and over time started to show signs of weakness. The hope that mayors would be 'ruling the world' gradually died.

Cities' inability to provide even essential services, especially in emerging countries, led to great discontent and an increasing push for national intervention. For example, in 2017, 31 percent of

South Africa's municipalities reported a particularly vulnerable financial position, questioning their ability to continue operating.²⁵ In 2018, Brazil's federal military took control of local law and order operations in the city of Rio de Janeiro to curtail rampant crime.²⁶ Decentralization of power proved to be inefficient, especially for peripheral cities in metropolitan areas which became more and more dependent on the 'central' local authorities to function and remain connected to the global economy.

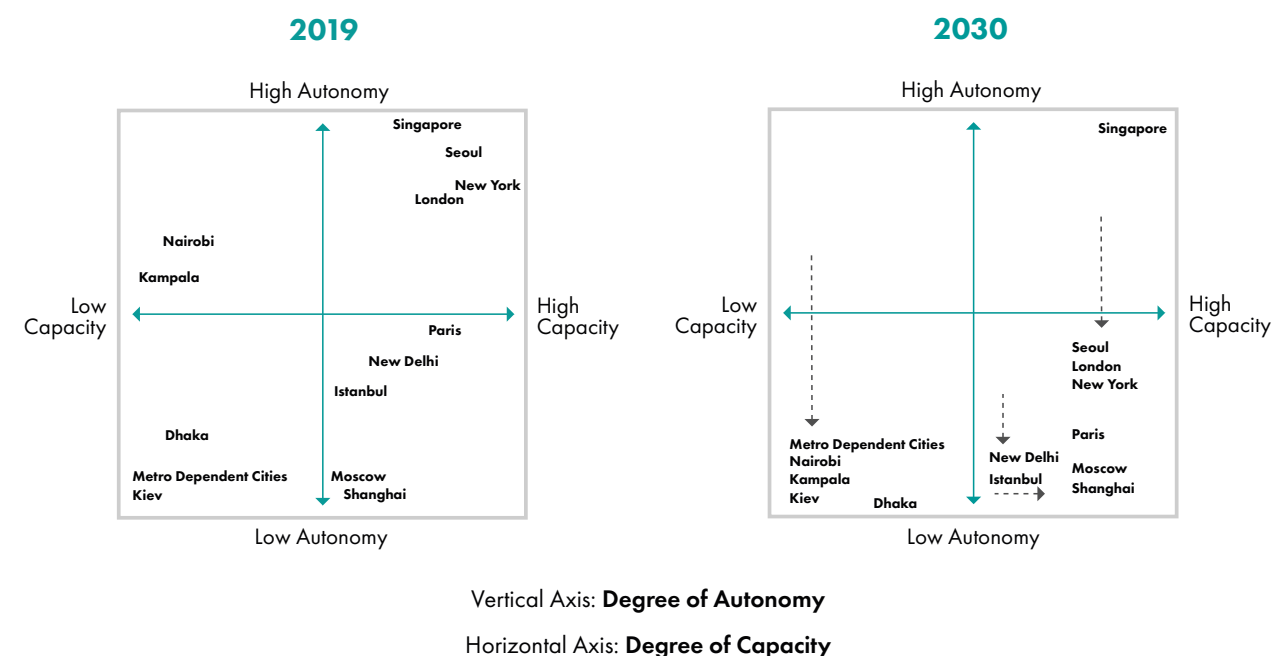
Thus, in 2030, cities around the globe have differing degrees of capacity and autonomy from their national governments. Here we speak of 'capacity' as the ability of cities to manage their political, social and economic affairs, such as delivering services, sustaining economic growth, and balancing their budgets. 'Autonomy' is defined as the degree of independence from higher levels of government.

There is a spectrum of cities with regards to their capacity and autonomy:

› **High capacity and high autonomy** are global cities with the resources and influence to act on global challenges. These are megacities in liberal and mostly decentralized economies, such as Seoul, London, New York, and Singapore.

- › **High capacity and low autonomy** are global cities with the resources to act globally, but which are in competition for fiscal and regulatory control with higher layers of government (at the province, state or regional level), such as Paris, Istanbul, Shanghai, and New Delhi.
- › **Low capacity and high autonomy** are global cities with economic development challenges and/or extreme budgetary problems in decentralized countries, such as Nairobi and Kampala.

› **Low capacity and low autonomy** are global cities with economic development challenges and/or extreme budgetary problems in centralized countries (like Kiev or Dhaka), or peripheral cities within metropolitan areas, such as Tangerang City within Jakarta Greater Metropolitan area.



History of the Future

In 2030, most central governments exert tight control over local action. Overwhelmed by the effects of globalization, rapid technological change, and climate change, major cities in the Global South cannot independently address local issues, such as pollution, congestion, and various health crises. Most cities are highly dependent on central government action in political decision-making and municipal finance. The scope of control by central governments varies:

- › **Cities with high capacity and high autonomy** in 2019, like London and Seoul, have lost some of their power to make independent commitments to the international agenda and must align with their nation states' agendas.
- › **Cities with low capacity and high autonomy** in 2019, like Nairobi, are controlled by national governments due to their resource dependency.
- › **Cities with high capacity and low autonomy** in 2019, like Istanbul, Ho Chi Minh City, Moscow,

²⁵ Auditor-General South Africa, May 23, 2018, 'Auditor-general laments lack of accountability as he releases declining local government audit results,' available at www.agsa.co.za/Portals/0/Reports/MFMA/201617/Media%20Release/2016%20-17%20MFMA%20Media%20Release.pdf?ver=2018-05-23-082131-353

²⁶ AP, August 19, 2018, 'Military intervention in Rio to end in December,' Associated Press, available at <https://www.apnews.com/37517c7b7d91470f80833d99b75b6e51>

and Shanghai, have continued to grow economically but are completely controlled by their central governments in 2030.

› **Cities with low capacity and low autonomy** in 2019 are dysfunctional and powerless in 2030 (examples are Kiev, Dhaka, peripheral cities, etc.).

While national governments have taken over the response to local inefficiencies, unfilled gaps remain. As a result, community engagement and the private sector fill in to deliver some social services. Community engagement takes shape either as part of nationalist programs of “good citizenry,” or as a reaction against authoritative central government guidelines.

With limited city power or financial capacity to make international commitments, the number of active city networks has fallen from over 200 to barely 50 still active worldwide. City-to-city cooperation is limited to information and expertise sharing, as opposed to agenda-setting and implementation. The active participant role of cities in major United Nations processes in the 2010s has

progressively disappeared, and international dialogues have returned to being the exclusive domain of nation states. Major philanthropic organizations and multinational corporations (MNCs), which had been fueling the expansion of city diplomacy and city networks in the early 2000s, stepped away from those larger investments and progressively withdrew their support. This caused a decline in funding and a decline in the globally-visible city conferences, summits, and broader global attention focused on the ‘urban age’ that marked the start of the 21st century. Diminished city-to-city cooperation also comes along with reinforced chaotic competition for talent and investment between cities. This has resulted in a widening human resource and capital gap between cities and countries in the Global North versus the Global South.

Several negative external and internal forces hinder the capacity of cities to act on global challenges. These factors are accompanied by growing public frustration with the local response to global issues.

Local Policy Failures

Cities in developing countries did not succeed in meeting the public expectations of economic growth and inequality reduction that many mayors, city networks and even UN programs promised at the start of the 2000s. The number of people living in slums grew from 1.3 billion in 2015 to 1.5 billion in 2020 and 3 billion in 2030. Cities in developed countries experienced exacerbated social inequalities and infrastructure failures. A backlash against the figure of the ‘traveling mayor looking for global popularity’ led voters and investors to question cities’ global actions. In 2025, a global grassroots campaign, “Fix Pot-holes, Not Ozone Holes,” pushed mayors to refocus on solving local issues. As the deadline for the United Nations 2030 Agenda approached, the UN’s 17 SDGs remained far from being achieved

globally. The key targets of SDG 11 – ensuring sustainable cities and communities – have almost all failed. Nation states imposed tighter control on activities to achieve the set objectives and cancelled any collective action, leaving no room for participation by cities and other levels of governance.

Thus, in 2030, cities around the globe have differing degrees of capacity and autonomy from their national governments. Here we speak of ‘capacity’ as the ability of cities to manage their political, social and economic affairs, such as delivering services, sustaining economic growth and balancing their budgets. ‘Autonomy’ is defined as the level of independence from higher levels of government.



Cities in developing countries did not succeed in meeting the public expectations of economic growth and inequality reduction that many mayors, city networks and even UN programs promised at the start of the 2000s.
Source: Wikimedia Commons

Populism

Populist rhetoric and a corrosion of the freedom of information-fueled skepticism and suspicion against local action. Left-leaning political movements saw cities as creators of a patchwork of regulations that benefited certain communities and strengthened the racial divide. In 2020, downtown Chicago was devastated by a riot triggered by increasing inequality and police brutality. In 2021, a social media campaign coordinated by

European far-right groups attacked urban multiculturalism. By 2026, 40 percent of mayoral offices in the European Union and Latin America were controlled by right-wing parties at the local and national levels, including those in Paris, Warsaw, São Paulo, Bogota, Buenos Aires, and Mexico City. They have promoted an agenda of increased centralization.

Municipal Financial Crises

Hidden debt amassed by local governments massively overshadowed cities with low capacity, creating municipal finance crises. The ‘debt iceberg’ surpasses \$6 trillion in China and the largest cities in Latin America. Cities in Southern and Eastern Europe saw their local credit risk skyrocket. Post-2020, there were waves of munic-

ipal bankruptcies, such as in Athens in 2020, in Zagreb and Buenos Aires in 2021, in Mexico City in 2022, and in Rome in 2025. In response, local credit ratings plummeted, banks restricted lending to cities and municipalities, and national governments tightened supervision and restrictions, effectively draining local investment autonomy.

Reversed Decentralization

Worried about the growing influence of their major global cities, authoritarian central governments tightened their control by appointing ally-mayors, such as Vladimir Putin in Moscow and St. Petersburg. The Chinese Communist Party has strengthened its role in the major Chinese cities. In extreme cases, local democratic institutions were dismantled altogether. For example, in 2023, during his third term as President of Turkey, Recep Tayyip Erdoğan dismissed the mayors of Izmir

and Istanbul and placed the two cities under the control of the national government. In other countries, global cities that served as engines of economic growth were declared ‘too important to fail’ and taken over by national governments. They hoped to better cope with forces such as the transformation of work (induced by technological change, automation and the digitization of labor) and growing unemployment. This happened even in cities that enjoyed high autonomy in the past.

Limited Space for Other Non-State Actors

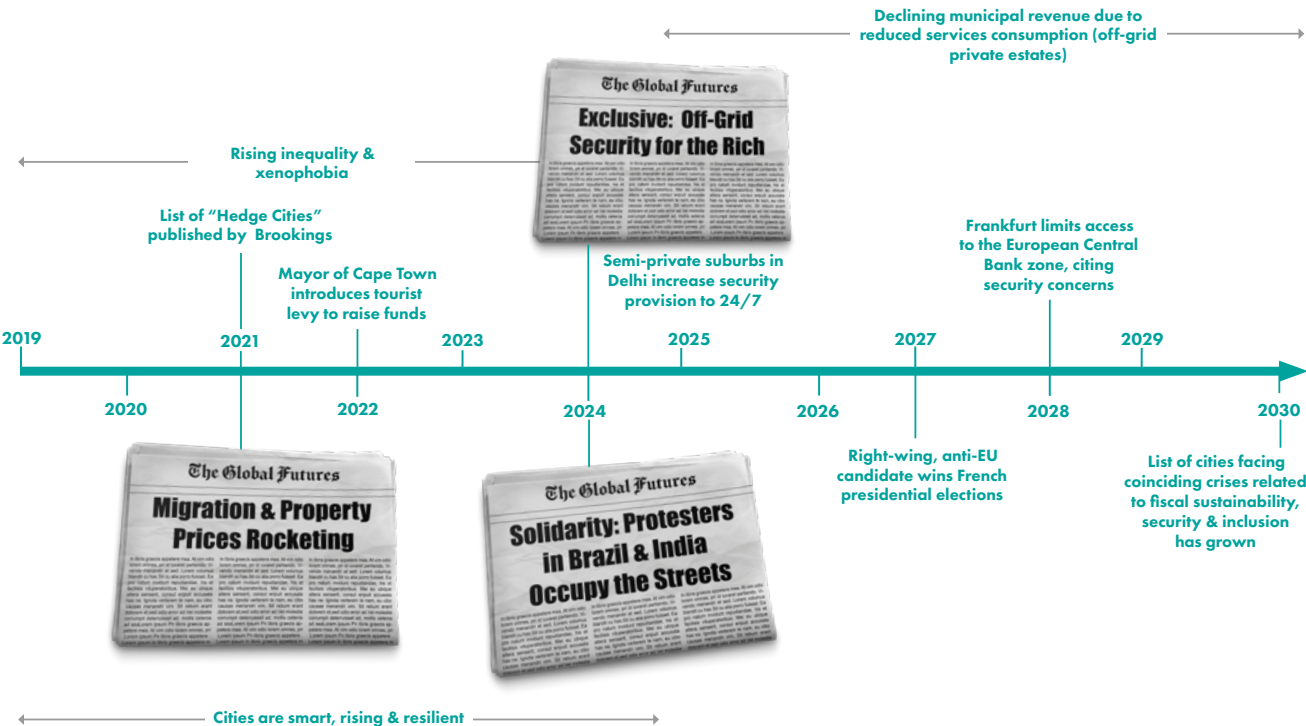
Non-governmental organizations (NGOs), the private sector and organized civil society fill in for areas not controlled by national governments. In 2024, international NGOs such as Slum Dwellers, Wiego and Actionaid continued to expand their outreach and support the ‘right to the city’ platform in various cities to secure citizens’ rights. During the same year, communities from the Andean cities such as Bogota, Cuenca and Lima came together to address urban agriculture needs, creating urban gardens and taking responsibility for local matters into their own hands.

As a response to the inefficiency of local public service provision like waste management, water supply, gas, and electricity, numerous municipal services companies were privatized. Outsourcing contract negotiations took place between the private sector and national governments, with the local government acting as a liaison. In 2024, half of the service provision in metropolitan areas in the Global South is privately operated. In 2028, Mexico City launched a private security service mandated by the central government.



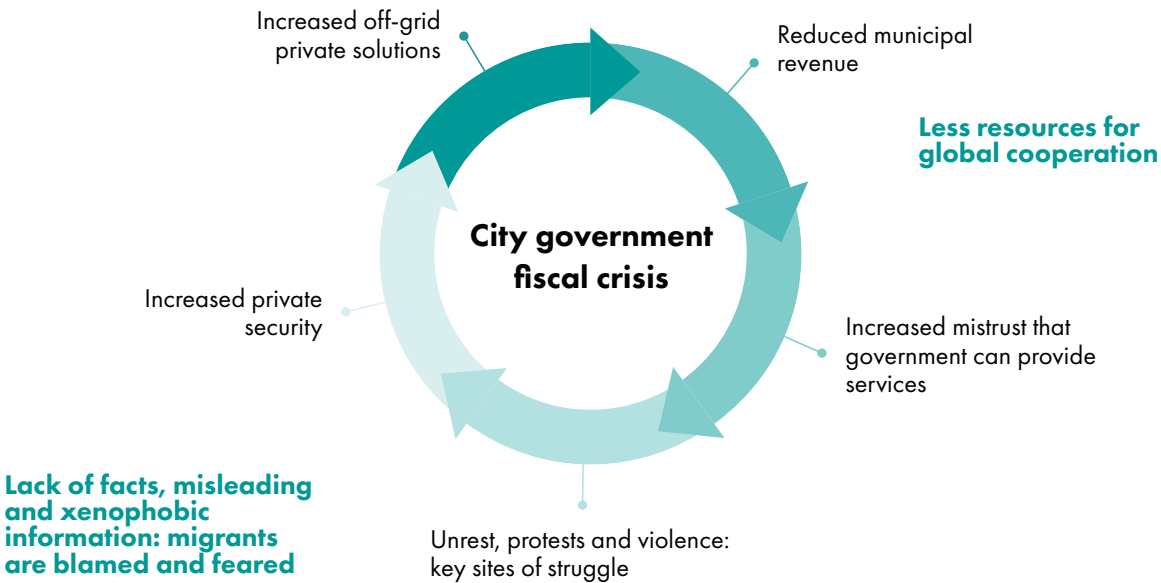
As a response to the inefficiency of local public service provision like waste management, water supply, gas, and electricity, numerous municipal services companies were privatized. Source: Wikimedia Commons

Scenario 3: Cities Fail to Adapt



Until 2020, cities around the world continued to join international cooperative structures aimed at promoting smart, resilient cities that are open to business and migration. These platforms were particularly attractive to those cities with challenges related to inequality and in-migration, as

they saw these transitions as solutions to their challenges. Cities in developed countries were the major participants in these platforms, which promised to help them adapt to advancing technologies and climate change.



Cities with high levels of inequality, underlying racism and xenophobia as well as evidence of insecurity underestimated these coinciding factors as they opened themselves up to investment and innovation. Migration pressures, exclusionary privatization, rising violence, and anti-globalization populism pushed cities to re-allocate priorities and resources. By 2030, cities' capacity

to participate in cooperative structures addressing global challenges has diminished. Many of the hundreds of city networks and international urban programs acting globally in the early 2000s have eventually been phased out, or member cities in these initiatives have stepped back or become dormant.

History of the Future

City leaders saw themselves as increasingly important on a global stage, sending messages of being open to investment, innovation, migration, and diversity. Numerous multilateral organizations (e.g., UN agencies and development banks) and non-governmental actors (e.g., universities and philanthropic organizations) backed this internationalist stance throughout the 2000s and 2010s.

The promotion of cities as 'smart' and 'open to business' spurred private sector investment in various aspects of city-making. In some cities, the private sector was faster to innovate than the public sector, seeing in particular a rapid advancement in 'green-tech' for the built environment.

More and more new development projects were 'off-grid' (i.e., disconnected from bulk utilities infrastructure), negatively affecting local government revenues from service consumption charges. Local administrations were unable to adapt regulations and revenue models at the speed of private sector innovations in decentralized energy, water, sanitation, and waste management.

At the same time, a confluence of political, economic and environmental factors spurred further migration to cities. Cape Town, São Paulo, Shenzhen, and Delhi all continued to attract low-skilled migrants seeking opportunity, both from their respective rural hinterlands as well as other continents.

Meanwhile, in the US, cities like Houston and Los Angeles were facing increased climate-related migration: Los Angeles from Latin America and the central US, and Houston from New Orleans, where flooding has become more and more frequent.

More low-income neighborhoods grew at a rapid rate as migrant workers poured into cities of

different sizes, especially in cities such as Lagos, Nairobi, Jakarta, Dhaka, and Manila. These cities faced increasing pressure for urban planning, service delivery, and meeting the demands of civic participation and self-improvement for local populations residing within these areas of concentrated relative poverty.

Exclusive Privatization Within Cities

As cities attracted investment, property prices increased and urban real estate increasingly became a commodity first, a productive or housing space second. In 2020, Frankfurt, Paris, Hong Kong, Shanghai, Sydney, and Singapore attracted pivotal investments by the financial sector in new headquarters, spurred by Brexit and opportunities presented by the Belt and Road Initiative.

In 2021, a list of so-called ‘hedge cities’ – cities where the real estate market is so affected by the globalization of capital that property prices are more reflective of investor appetite to safely park cash than of local land use demand or housing needs – was published by the Brookings Institutions and included Houston, Beijing, Cape Town, Frankfurt, and Perth. The report also speculated about urban housing bubbles and noticed the increase in “empty cities” in China, such as Ji’an in Jiangxi province where, despite fiscal subsidies and favorable land use policies, property prices remained too high to serve low income migrant workers. Rising speculative property prices further resulted in the growth of low-income neighborhoods on the outskirts of these cities.

Throughout the early 2020s, inequality increased even more, property prices rose and underlying xenophobic and racist attitudes grew. Rising inequality-related social instability further spurred private ‘off-grid’ developments to increase the provision of private security and neighborhood watches. The range of services offered within

these estates expanded to include schools, medical facilities, shops, and office space – providing residents with fewer and fewer reasons to leave.

In 2021, the *New York Times* published an article about the rise of Houston as “the tech hub of the south,” but warned of class and racial tensions between opportunity-seeking migrants from New Orleans and other parts of the region. Meanwhile, misinformation, disinformation and malinformation were widely disseminated and difficult to identify, which threatened social trust within and among cities.

Smart city initiatives offering Wi-Fi in public spaces and greater investment in broadband increased access to information by urban populations. Through these mediums, ‘fake news’ about foreigners and the poor proliferated. In Johannesburg, vigilante mobs attacked a suspected thief outside Waterfall Estate, one of the most exclusive estates. Afterwards, the metropolitan police issued a statement warning people on their use of online media and the mayor of Johannesburg was criticized for focusing on global meetings instead of dealing with local issues.

In 2020, Donald Trump was reelected to a second term in the White House and continued upholding “America First” and isolationist policies until the end of 2024. Other countries followed the US in dropping out of the UN-led global governance mechanisms, such as UN agencies and treaties,



In 2021, the New York Times published an article about the rise of Houston as “the tech hub of the south”, but warned of class and racial tensions between opportunity-seeking migrants from New Orleans and other parts of the region.

UNESCO²⁷, the Paris Agreement²⁸, the Universal Postal Union (UPU), and UNHCR.

In 2021, a review of all American cities among the 100 Resilient Cities was published. In a critical conclusion, it cited failures to address climate challenges and collaborate across boundaries with neighboring cities. In 2022, the World Urban Forum reviewed progress with the United Nations Agenda 2030 on sustainable development and SDG 11. At this event, prominent researchers and speakers criticized the failure of cities to address the global challenges set out in this agenda.

Without national support for participation, and citing reviews such as the above, US cities ceased membership of the C40 Climate Leadership Group as well as other networks such as 100 Resilient Ci-

ties and ICLEI Local Governments for Sustainability. For many non-philanthropically-funded city networks, a subsequent lack of membership-based income resulted in a weakened role for international governance mechanisms, such as the Green Climate Fund. Big cities began focusing their attention away from global challenges.

City governments – facing increasing pressure for service delivery and housing for the urban poor and reduced revenue from service use due to the off-grid movement – were unable to cope with the additional security needs. In 2022, after local elections heavily dominated by campaigns on land price, job opportunities, and service delivery, a new Cape Town mayor leading a coalition council was unable to pass revenue reforms. Instead, the mayor introduced an additional

²⁷ See <https://en.unesco.org/>

²⁸ See <https://unfccc.int/process-and-meetings/the-paris-agreement/what-is-the-paris-agreement>

tourist levy on visitors arriving at the airport, and removed migrants from housing allocations lists only introduced in 2019. The same year,

Detroit filed for bankruptcy for the second time since 2013.²⁹

Increasing Securitization Within Cities

In 2024, after election-related unrest, semi-private suburbs in Delhi, such as Hauz Khas, increased controlled access security to 24 hours per day. A delegation of Delhi leaders was blocked on their way to the airport for a C40 cities network exchange visit in São Paulo. The protestors were criticizing them for focusing too much on international visits, “wasting” time and resources, and not being available to focus on local issues. Activists in São Paulo learned of the Delhi protests and, in an act of solidarity, occupied the streets surrounding the gathering.

Despite these warnings, privately secured areas within cities continued to expand. In the same year, residents of Beverly Hills introduced controlled access, citing eight years of the Trump administration and anti-migration policy as a cause for increasing conflict between locals and Latin Americans, which the city of Los Angeles was unable to manage.

Back in South Africa, in 2025, debates about changes to voting ward and city government boundaries fueled tensions ahead of upcoming local government elections. Some leaders wanted to push demarcations to include private estates and well-performing central cities, while excluding informal low-income areas, citing cities’ fiscal inability to manage the needs of the poor and transferring this responsibility to provincial or national counterparts.

After a right-wing, anti-EU candidate won the French presidential elections in 2027, secure zones within cities became more acceptable and spread, with the most expensive neighborhoods in Paris (like Saint Germain-des-Prés) requiring resident and worker permits. Organizers increasingly used slogans relating to nationalism rather than personal security to market these ‘safe zones’. In Paris, the mayor was criticized for sharing a platform with an Islamic leader at the ForGlobal summit. He responded by making anti-Islamic statements and removing Paris from ForGlobal.

In 2028, Frankfurt increased security through controlled entrance to the European Central Bank zone, citing the city’s inability to manage frequent anti-EU protests. In Houston, Business Improvement Districts around rising tech hubs increased security levels and were accused of racially profiling people, including the homeless, who had fled from catastrophic flooding in New Orleans. In the same year, the first fully self-sufficient tech district in Houston was closed to entrants without facial recognition.

In 2030, the list of cities facing coinciding crises relating to fiscal sustainability, security and inclusion has grown.

²⁹ Monica Davey and Mary Williams Walsh, July 18, 2013, ‘Billions in Debt, Detroit Tumbles Into Insolvency,’ *the New York Times*, available at https://www.nytimes.com/2013/07/19/us/detroit-files-for-bankruptcy.html?pagewanted=all&_r=0

Conclusion: City-to-City Cooperation Declines

Declining trust, increased exclusive privatization of services and precincts, rising inequality, and fiscal pressures on cities have created an environment where the role of cities in addressing global challenges has been weakened.

Despite the efforts of global city cooperative structures, many cities were unable to adapt their governance models to respond to energy innovation, climate change, and ideological shifts.

Cities with high inequality and administrations ill-equipped to respond to shifting trends in the private real estate sector face a growth of exclusive privatized, securitized and financially independent areas. These are increasingly in conflict

with lower income areas requiring services. Some city governments now revert to focusing on a core city surrounded by these privately run estates as well as vulnerable and volatile low-income neighborhoods.

Global city networks failed to adequately equip participating cities with the capabilities to adapt their focus beyond climate change and technology to social and economic factors. Due to many cities either formally leaving or withdrawing active participation from global city networks, the activity and influence of these structures – once seen as potentially powerful global governance structures – is significantly weakened.

From Scenarios to Policy Projects

Scenarios are instruments to make future developments imaginable and to define the plausible range of what might happen. Our ultimate aim was to create concrete policy projects to prepare for the future by acting early to avoid or mitigate future threats and working toward realizing opportunities that are not yet clearly visible.

In our scenarios, we identified opportunities and threats for what we perceive as valuable. We focus on the threat of cementing inequality within cities as well as the inequality and competition between cities. In addition to that, we decided to not exclusively focus on future challenges alone, but to take into account one wild card that could

happen anytime in the coming years without any lead time: the destruction of major cities in coastal areas by extreme weather or natural disaster.

After brainstorming policy interventions that could target our key challenges (i.e., who could change what and in order to mitigate or avoid which challenge), we created ideas for policy projects that, in a tangible way, illustrate how change could be achieved. The following selection of policy projects reflects our personal passions and backgrounds. We hope it inspires others to think about not only what should change but also what making that change happen could look like.

Policy Project 1: Flexible Citizenship Taskforce

A fundamental threat on the horizon is the emergence of a ‘tiered citizenship’ in cities: a formalized system in which citizens receive different (and unequal) levels of services and essential goods.

As of 2019, the foundations of this threat are already well in place. The private sector is increasingly at the heart of delivering public services in cities both big and small, in both developed and developing countries. Technology companies are already offering payment systems, health insurance, public transportation services, internet, and education – all central to the lives of city dwellers across the world.³⁰ In some cases, this trend manifests itself in the form of gated communities and neighborhoods, and can even extend to the development of privately run cities.³¹ At the same time, many city governments lack the capacity³² to provide these traditional services as they face pressures such as population increases as a result of migration, global, regional and in-country mobility, and more. Coupled with the extreme, and rapid, increase in urban inequality,³³ this inability to provide public services and the visceral involvement of private enterprise in

cities’ essential infrastructure mean that there are but a few steps to tiered forms of citizenship:

1. **Digitized public-private partnerships** are the key transformation in the provision of and access to core city services.
2. The **creation of ‘premium connections/services’** leads to increasing differentiation between the ‘types’ of urban dwellers that can access them.
3. This **differentiation is formalized in local government practice** and city dweller types (‘splintering urbanism’ becomes an accepted form of urban development).
4. Giants of platform capitalism and their digital platforms become **accepted identifiers of this tiered form of urban citizenship**.
5. This is all **codified in management, law and everyday practice**, including in public documents such as citizenship cards, both online and offline.
6. This **system spreads globally**.

In order to fend off this threat, we propose the creation of a cross-sector commission or task

³⁰ Laura Bliss, December 27, 2018, ‘2018 Was the Year of the Smart City Skeptic,’ *CityLab*, available at <https://www.citylab.com/transportation/2018/12/smart-city-uber-google-facebook-technology-startup-solutions/579025/>

³¹ FT, September 7, 2012, ‘Coming Soon to Honduras: privately run cities,’ *Financial Times*, available at <https://www.ft.com/content/55d9d0e5-3e8b-369e-8112-f320c1e82db6>

³² International Labour Organization, 2012, ‘The impact of decentralization and privatization on municipal services,’ available at https://www.ilo.org/global/about-the-ilo/newsroom/news/WCMS_007862/lang-en/index.htm

³³ OECD, 2016, ‘Inequality and urban growth,’ OECD Yearbook 2016, available at <http://www.oecd.org/social/inequality-urban-growth.htm>

force to design a preemptive prototype of ‘flexible citizenship’ that is more equitable for citizens while providing more flexible choice for the services they receive. The project does not aim to prevent the emergence of tiered citizenship, since inequality might already be seen as an irreversible trend. Rather, its aim is to design a better version of this tiered system, one that is more suited to fulfilling the essential rights of city dwellers and designed more openly, together with the relevant stakeholders in the private and public sector.

This task force should involve a major center or institution focused on advanced urban services, a major private sector company (most likely a

technology or data-driven business), and a major cities summit to act as a convening venue for this task force while connecting it with key contemporary discussions on urban challenges. The output of this task force would be a prototype of a tiered citizenship model of city residence for urban dwellers, articulated in an evidence-based and policy-oriented report. By working together, each sector – including citizens and the global economy – benefits by preventing the stumble into an even more unequal future with its risk of unrest and degradation of the merits of globalization, and works toward an increase in equity, ease of mobility, security, and trade.

Policy Project 2: Tech-Resilient Cities

In at least two of our proposed scenarios, we envisage that the private provision of public goods and services will increase. This transition is enabled by technological advancements in cities, which also produces various threats. Often, these new technological solutions, backed by venture capital (VC) money, ‘scale’ in and between cities at a fast pace, despite a lack of proof that they are sustainable or adhere to local government legislation.

Given that many cities confront substantial gaps in public service delivery, these advanced urban services often become the de facto service provider for urban dwellers’ key needs, leading city residents to become dependent on them. The likelihood of dependence is especially high in cities with high levels of inequality, where urbanization has been rapid and where there is good penetration of internet-related infrastructure and services at rates that would otherwise be impossible for resource-strapped local governments, thus leapfrogging public alternatives and creating high dependence on the private sector for core services like mobility, healthcare or waste management.

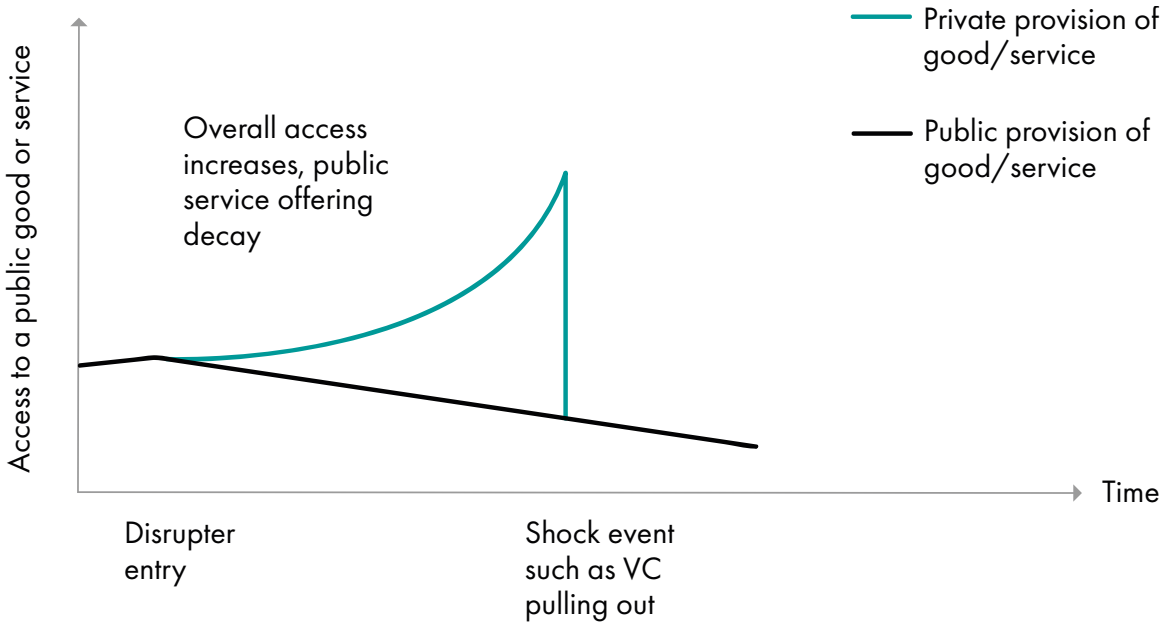
Such high levels of monopolization, especially in public service delivery, is fraught with risk considering the volatility of VC capital, the search for

increasing margins, and the lack of government controls to safeguard service quality or continuity. For example, VC pullout from such companies could cause them to collapse, leading to a disruption in services and the need for action to mitigate a city-wide disaster, potentially even a government-led bailout. Alternatively, a technical malfunction could cause complete communication breakdown and service collapse.

In our scenarios, there is a potential for similar vulnerability in real estate, energy, mobility, traffic management, waste management, health care, education, food retail, and other goods, services and revenue sources, as well as the back-end and business-to-business technologies that enable them. For instance, consider a case where Amazon, fresh from its recent purchase of Whole Foods³⁴, begins to replace city supermarkets. The collapse of Amazon could potentially lead to massive food shortages in cities. The financial, political, economic, and humanitarian risks of such ‘tech disasters’ are poorly understood. Traditional public-private service provision structures make use of various legal and financial controls that ensure continuity of public services, often at set affordability levels. Many of these disrupters currently have no matching risk sharing or service integration approach. Profit from delivering these services is fully privatized,

³⁴ Paul R. La Monica and Chris Isidore, June 16, 2017, ‘Amazon is buying Whole Foods for \$13.7 billion,’ *CNN Money*, available at <https://money.cnn.com/2017/06/16/investing/amazon-buying-whole-foods/index.html>

while the risks of under-investment in public services or all-out service failure are still carried by the public sector. There has been some ad hoc, largely reactive regulation mitigate such risks. For example, several US cities now require e-scooter and dockless bike sharing providers to obtain a license before rolling out services, and some cities levy additional taxes on homes rented out on Airbnb. However, for the most part, regulation, active partnering, risk sharing, and system integration have been absent. Many city governments do not have the competencies required to effectively foresee these risks or engage proactively with private entrants.



The anticipated impact of a privatization and shock scenario on overall access to services.

Our proposed solution is a **Tech Resilient Cities Network**, comprised of specialists with legal, business, technology, and public sector backgrounds.

The network will work based on the principle that new forms of city governance are required to encourage innovation while maintaining and/or enhancing access to services for all city dwellers. The role of local counterparts is not to stifle innovation in favor of incumbent infrastructure and service models, but rather to set and ensure service standards and create a level playing field for interoperable solutions.

The network will perform four key functions:

1. Development and maintenance of a **City Services Disrupter Vulnerability Matrix** and an associated **City Services Disrupter Resilience Score**;
2. Initial screening, launch and scaling of new tech solutions offering traditional public goods and services within cities;
3. Continued engagement with and monitoring of existing tech solutions in cities;
4. Implementation-focused support for city governments.

This network will have a central core unit that will work across cities and engage with a range of local partners in each member city, including local government, civil society, academia, and private solution providers.

Key Activities and Outputs

CITY SERVICES DISRUPTER RESILIENCE SCORE: The Network will design a **City Services Disruption Vulnerability Index** under which each city will be given a vulnerability score (for every service category), which will form the baseline for and drive the recommendations provided to that city.

CITY SERVICES DISRUPTION VULNERABILITY INDEX

Exposure	Sensitivity		
	Users / Service	Economic Impact	City Revenues
Technology failure			
Tech solution loses access to finance			
Supply chain failure			
Degree of backlash against globalization			
Adaptability			

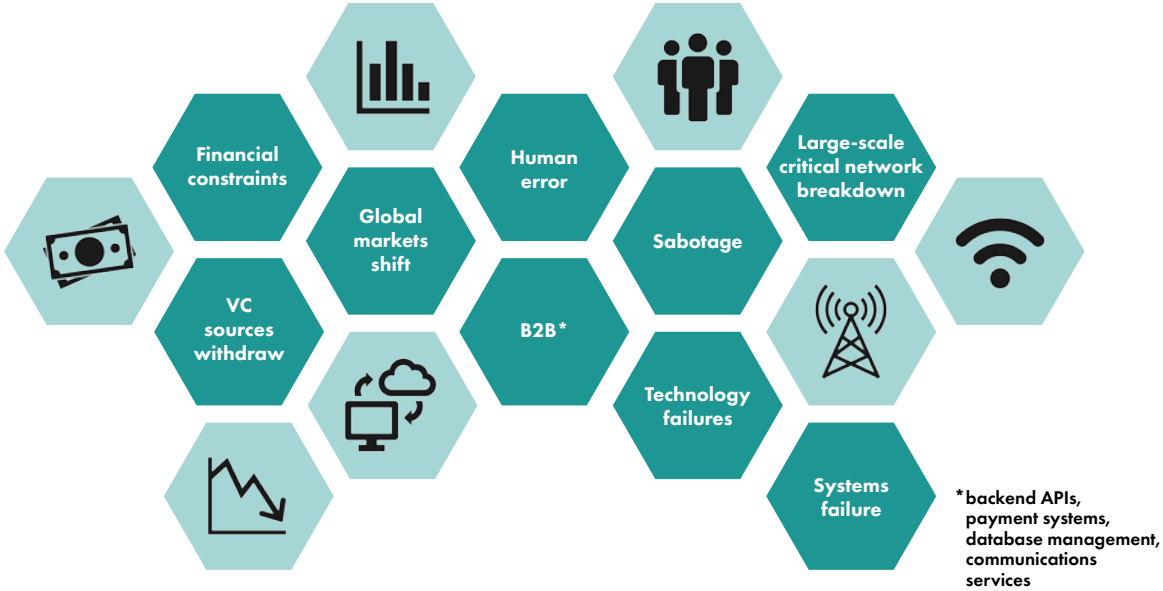
In the City Services Disruption Vulnerability Index, each city will be given a score for each service category, which will inform and drive the recommendations provided to that city.

This measure will assess a particular city’s exposure and sensitivity to changes in the services provision, as compared to its adaptability (including measures of redundant capacity in the system). Like a city climate resilience score, the City Services Disruption Resilience Score will be based on a range of factors. For instance, if a city has a high exposure to a technology threat as well as a high level of technology usage, and lacks other service delivery options (i.e., high exposure, high sensitivity, and low adaptability due to low redundancy), it would score low on the tech resilience rating.

INITIAL SCREENING: New technology solutions focused on cities will be screened based on:

- › Market needs assessments (including demand elasticity for the service);
- › What incumbents currently provide;
- › Criticality assessment, i.e., how critical the respective service is to urban life;
- › Cost/benefit analysis of launching the technology;
- › Sub-metro spatial, economic, or sector assessment;
- › The city tech resilience score for each target city.

CONTINUED ENGAGEMENT: New and existing tech solutions launched in cities will continue to be monitored by the network and the city vulnerability analysis will be updated on an ongoing basis. As part of this effort, the network will create heat maps to visualize where current levels of demand and supply for the sector in question will be layered. Any planned new state interventions, for example capital allocation for new rail infrastructure or waste depots, will also be reflected in these maps.



An example of a risk map.

IMPLEMENTATION-FOCUSED SUPPORT: Based on cities’ vulnerability and the success of different tech solutions, implementation-focused support could take different forms. Implementation could be coupled with a range of regulatory measures, some of which are outlined in the table below. Implementing these regulations would draw on learnings from operations of these tech services in other cities. This network will support information sharing and showcase successful case studies to support knowledge transfer between cities. Rather than an outsourcing model, support would be offered in a way that directly builds local competencies such as risk foresight, influencing and/or leading regulatory reform, and structuring risk-sharing deals with the private sector in practice.

The network could also support implementation by helping to pilot test solutions in cities or parts of cities. With time, this network could also apply a randomized control trial approach to test how new solutions might be (differently) implemented in different city contexts.

Type of Response	Examples	Purpose
Imposing Obligations	Introduction of a licensing regime	Database from which to monitor growth
	Tariff and/or service quality regulation, monitoring and enforcement	Raise income, ring-fenced for investment in alternative local services, disaster funds or similar
Financial Partnering	Financial controls (e.g., direct shareholder investment or provision of financial guarantees and subsidies to new entrants)	Adapt traditional public-private partnership risk sharing structures to new business models
Open Access Partnering	Data sharing agreements to enable creation of collaborative/complementary solutions and transparent monitoring of risk of failure	Create additional value from shared data
	Integration with existing services supported by shared open access models, non-proprietary APIs for inter-operable systems, integrated payment services and other relevant technology, legal, communication, fiscal, and data platforms	Monitor usage and risks to/needs for other services and planned capital projects
Investing in Complementary Ecosystem	Invest in complementary technologies, skills development and enterprise support for local innovations, as well as complementary platforms and services (e.g., data integration platforms or integrated payment apps)	Creating an ecosystem where competition can thrive to avoid monopoly service providers (state, privately or jointly run) and grow the local tech sector

Potential governance regulatory responses to mitigate vulnerability of dependency on technology solutions.

Of the above types of responses, imposing obligations is a complicated task but one that many city governments have the capability to implement. The other responses are more complex and require new capabilities in law, technology and cross-sector governance. These hold implications for broader governance transitions, where governments move from single-supplier and direct service delivery to cross-sector governance of multiple public and private partners.

The public sector must grasp that innovation is by definition risky and disruptive. There is always room for error or failure, but it can be controlled and mitigated. Start-ups should see this network as a collaborative player that helps to bridge public and business interests as opposed to stifling innovation.

Risks

There are several risks that need to be taken into account:

› **FUNDING:** On the one hand, there could be a lack of interest from cities who are not willing to pay for a membership fee to have their vulnerability assessed and monitored, or a lack of resources by cities who need the most support but might be strapped for funding. Private sector funding, on the other hand, may result in conflicts of interest. One potential solution to this is to establish this service as an extension of existing trusted global city networks, such as 100RC.

› **LIABILITIES:** The network should make clear that it is not liable for failures that follow from its recommendations. Participating governments should be actively collaborating to build their own capabilities and have ownership of the recommendations and decisions. This may mean having dedicated local officials or decision-making structures that not only liaise with the network, but are able to institutionalize learnings in their own organizations.

› **RESPONSES FROM THE ‘DISRUPTER’:** For the ‘disrupter’, participation may not be desirable due to intellectual property risks or market expansion barriers. Further, disrupters might opt to test their products and services in non-participant cities to avoid perceived risks of increased regulation, making participant cities less competitive when attracting innovative solutions globally. Early cases that demonstrate the value of stable partnerships between cities and disrupters will be necessary to promote buy-in from more resistant ones. The likelihood of successful collaboration should be a decision-making criterion in the early work of the network.

› **LACK OF CITIZEN SUPPORT:** Some citizens may regard such changing governance models aimed at allowing for innovative private sector entrants as a loss of government mandates or a form of privatization. Citizen engagement in the creation of shared public goods will need to be a part of the local processes to develop and implement fair and just solutions that advance equity in access to services, including mobility, energy, water, public spaces, waste management, and other goods and services.

Policy Project 3: Expertise-Sharing Pool

Our scenarios forecast that, by 2030, competition for talent, technology, natural resources, commerce, and influence between cities will intensify. Due to insufficient capacity, policy expertise and tactics to leverage urbanization, digitization, and globalization, the gap between advanced cities and those lagging behind will widen.

Under the conditions of Scenario 1, the wealthiest, best-connected cities have a competitive advantage in seizing talent and expertise, which accelerates brain drain. In Scenario 2, poor management and the lack of capacity to implement efficient local policies weakens public trust in city governments. In Scenario 3, some cities face increasing pressures for service delivery and lack certain policy design expertise to address their new challenges. In Scenarios 2 and 3, city-to-city cooperation and participation in cross border networks decreases due to a lack of funding and popular support.

Various models of city networks and global initiatives exist today to enhance the implementation of local policies. We observe that many are limited to debating and information sharing. Some are more practical in their implementation but focus on emerging municipal challenges (e.g., Strong Cities, UN Habitat, 100 Resilient Cities, C40) or mainly cover developed economies (e.g.,

Brookings’s Global Cities Initiative). Consultancies like Bloomberg Associates provide another type of intervention with their floating pool of experts. But these approaches often assume that successful policies are replicable in any environment, regardless of the unique cultural and governance features of each city. Often, cities do not have the capacity to adjust best practices to their local contexts and interests, particularly in the case of North-to-South transfers.

To support city capacity and city-to-city cooperation, we propose the creation of an expertise-sharing pool. Inspired by talent sharing pools that are part of the Human Resource strategies of private businesses³⁵, the pool will consist of a network of cooperating cities exchanging knowledge, practical solutions and tactics. A digital platform will centralize problem-solving methods and facilitate the transfer of expertise, either digitally or physically through fellowships and the ‘loaning’ of experts. It will facilitate high-capacity South to low-capacity South interactions as well as North-North interactions. South-North and North-South transfers will be accompanied by adjustments to local contexts and expert training for implementation tactics that are more sensitive to local contexts and therefore more efficacious.

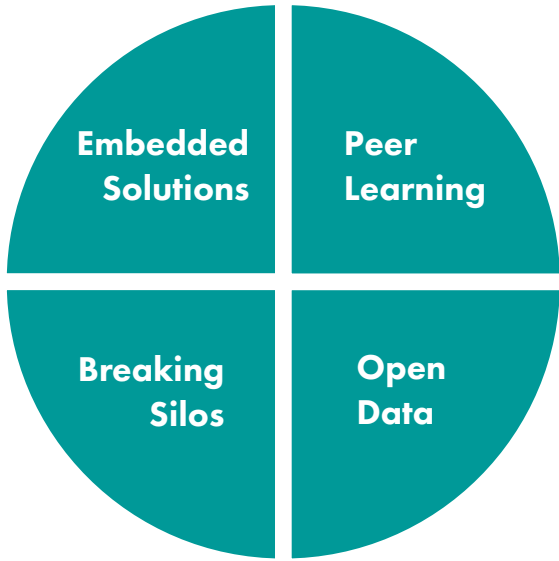
35 Amy Doyle, 2015, ‘Collaborating with Competitors,’ ManpowerGroup Solutions, available at <https://www.manpowergroupsolutions.com/thought-leadership/white-papers/collaborating-with-competitors>

Through city-to-city cooperation, the objectives of the expertise-sharing pool are the following:

1. **Increase cities’ technical capacity**, in particular their ability to implement policy and address local challenges;
2. **Promote and encourage information and expertise sharing** between cities, with a focus on effective policy implementation and transfers of context-sensitive methods;
3. **Support innovation in local policy design and implementation** through a mobility of

- expertise, replication and experimentation in different cultural and governance contexts;
4. **Increase the convergence of city development** and help lagging cities catch up by filling the temporary shortage of expertise needed to tackle specific urban development issues.

City challenges often run deep. Addressing them requires deep change. The expertise-sharing pool thus focuses on changing the mindset of local leaders through four core principles:



The expertise-sharing pool focuses on changing the mindset of local leaders through four core principles.

1. **EMBEDDED SOLUTIONS:** Implementing outside, top-to-bottom ‘good practices’ has limited effects when they are designed in a different institutional or cultural context. The transfer of good practices also suffers from a risk of ‘North over South’ control and monopoly of development models. Instead, local problems need local solutions. Implementing a practice requires deep local knowledge of the institutional context and place-specific adjustments. The network focuses on sharing ‘how-to’ methods rather than ‘you-should’ advice.
2. **PEER LEARNING:** Local leaders and practitioners trust their peers more than outside experts. Learning from the practice of actors that have demonstrated successful implementation is more effective than learning from a white paper. The network focuses on adapting and replicating innovative activities in a city using the practical experience of local actors.
3. **BREAKING SILOS:** This network focuses on supporting local partnerships of public and private actors at the metropolitan area level. It involves actors beyond City Hall and

government, but also businesses, academic and cultural institutions, and civil society.³⁶ Organizing private-public alliances precedes the effective implementation of other policies and programs in support of innovation, governance, economic development, and influence.

4. **OPEN DATA:** The network promotes the disclosure and sharing of successful practices and tactics. The adaptation and replication of successful strategies benefit all the cities, bringing them closer through mutually beneficial cooperation.

Implementation Strategy

PHASE 1: PILOT AND SURVEY

A small number of cities with strong leadership pilot the project on one or two common challenges. A survey identifies the needs and expertise of each participating city, and the major problem to be addressed at their current stage of development.

PHASE 2: SUPPORT AND RELAYS

Local influencers and decision-makers are identified to relay the network’s activity among city officials, economic development and business leaders, and cultural and university leaders. Member cities establish a General Secretariat to functionally manage the network.

PHASE 3: DIGITAL PLATFORM LAUNCH

The digital platform facilitates match-making, with real-time rolling calls for expertise needed to tackle current challenges, and offers expertise on innovative tactics. The General Secretariat appoints an independent advisory committee of urban experts to advise the network and coordinate the matching of expertise among networked cities.

PHASE 4: EXPERTISE-SHARING POOL AND PHYSICAL TRANSFERS

The network tests digital transfers – through webinar sessions – between matching cities. Experts and practitioners move physically within the network and provide assistance in policy implementation, for example through in-residence workshops and fellowships. The platform is rolled out to more cities.

Partners

Key partners include national governments, academic institutions, UN University and the UNESCO Social Science/Science Council, city alliances, and the private sector.

36 Bruce Katz and Jeremy Nowak, 2018, *The New Localism: How Cities Can Thrive in the Age of Populism*, Brookings

Leadership

The General Secretariat administrates the expertise-sharing pool and ensures its smooth running. If the network is regional, a regional organization can take the lead in its creation (such as ASEAN, the European Union, AIIB, or the Inter-American Development Bank). If the network is international, an international or intergovernmental organization (like the World Bank or OECD) can lead. The General Secretariat

comprises representatives from the member cities and key partners elected by the city members.

The Advisory Committee is an independent body of urban experts responsible for advising the networked cities and coordinating the matching of expertise. The committee members are appointed by the General Secretariat.

expertise-sharing pool during annual meetings in the coming performance period (e.g., three or five years).

› **Regular monitoring of the performance of the expertise exchange and problem-solving** through a feedback mechanism, including timely updates of the achievements of expertise trans-

fer, problem-solving and cooperation through outcome metrics (number of problems solved) and process metrics (number of expertise-sharing events).

› **Archiving successful practices and publish an annual report on the digital platform.**

Budget

The network is based on a cost-sharing principle. Localities make some level of contribution, public or private. Potential sponsors and outside funders

include philanthropic organizations and large companies whose global expansion is tied to the growth and good governance of new markets.

Outcome

Cities are incentivized to join the network and actively engage with it to continue benefiting from expertise support over time. Peer pressure and global reputation gains or losses act as additional encouragement for member cities to contribute to the pool

Key Activities

The expertise-sharing pool will carry out the following key activities:

› **Collection of available expertise and expert contact information** in a centralized database accessible for all member cities. Categories include transportation, economic development, metropolitan governance, public health, environment, financial tools, housing, global identity, culture and influence, migration, and digital government.

› **Organization of regular matchmaking events between cities** in need of expertise as well as cities that have developed innovative problem-solving techniques. Matchmaking events include a ‘specialization package’ geared toward cities facing similar challenges to promote the transfer of knowledge about and expertise on related challenges.

› **Organization of regular webinars** between paired cities for expertise transfer.

› **Organization of fellowships and in-city residence for experts** over a period of time (one week to six months), depending on the scale and technicality of the project. Some projects may require a physical presence of experts over time to locally engage with the project, help local stakeholders organize, and follow the implementation. The city or organization providing the expert could cover a 20 percent share of that employee’s time for this external consulting role. In lieu of contracting consultants, cities leverage the experience of practitioners and experts from other cities.

› **Regular events, workshops or meetings** to gather principle stakeholders to review and update the management of the pool. Updating running procedures and action guidelines of the

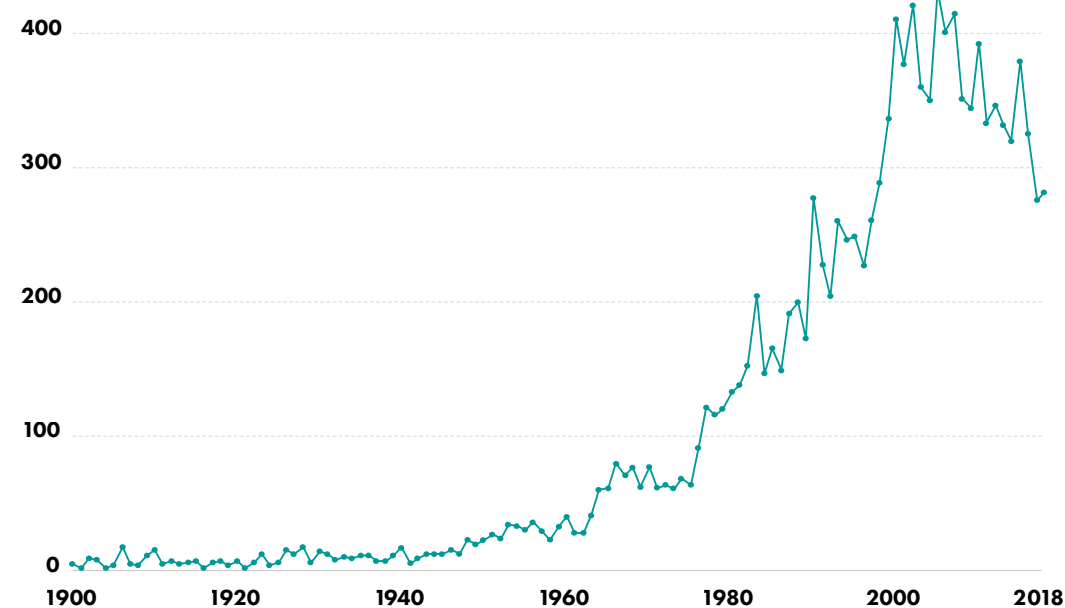
Policy Project 4: Durable Coastal Cities' System

The growing intensity and frequency of climate change-related natural disasters – at an unprecedented rate³⁷ – increases the risk of capital cities located in coastal areas being almost. This has the potential to cause all inhabitants to leave

these cities for some years and to force potentially millions of people (including the inhabitants of surrounding cities) into economic and social hardship, especially the vulnerable parts of the population.

Number of Recorded Natural Disaster Events, All Natural Disasters

The number of global reported natural disaster events in any given year. This includes those from drought, floods, extreme weather, extreme temperature, landslides, dry mass movements, wildfires, volcanic activity, and earthquakes.



Source: EMDAT (2019): OFDA/CRED International Disaster Database, Université catholique de Louvain, Brussels, Belgium

³⁷ Anna Jones, October 2, 2018, 'Indonesia tsunami: Palu hit by 'worst case scenario,' *BBC News*, available at <https://www.bbc.com/news/world-asia-45702566>

This policy project focuses on building a durable coastal cities' system to respond to catastrophic natural disasters. It addresses the question of how large coastal cities at risk of being wiped out by severe natural disasters and their partner cities can make contingency plans for their citizens in an equitable way.

This project encourages city networks such as C40 as well as the city governments of coastal cities that are prone to catastrophic natural disasters to build partnerships with neighboring city

governments, insurance companies, the National Agency for Disaster Management, and humanitarian organizations. These stakeholders will build durable coastal cities' systems to respond to large-scale disasters based on temporary evacuation and migration modelling developed as part of the project. Some potential funding could be available from donors working on climate resilience such as European Civil Protection and Humanitarian Aid Operations, the Rockefeller Foundation and Adaptation Fund, and the International Climate Fund.

Intervention

The project aims to raise awareness of the importance of a durable cities' system by piloting a project in a city recently affected by a natural disaster such as Palu, Indonesia and its neighbors, such as Makassar and Manado. The pilot focuses on creating an inter-city emergency plan for the city's and its partner cities' responses to the unprecedented scale of natural disaster as well as on providing a safety net for the pilot cities' supporting systems, so that the affected citizens can temporarily continue their livelihoods in the partner cities, regardless of their economic status.

The project will start with strengthening or expanding the scope and role of the existing City Agency for Disaster Management to cover the interdependency of emergency responses between the pilot city and its partnering cities. The agency will be supported by key experts to develop an intercity agency for disaster management and temporary migration contingency plans, and to work with insurance companies to develop a temporary migration insurance package for the poor.

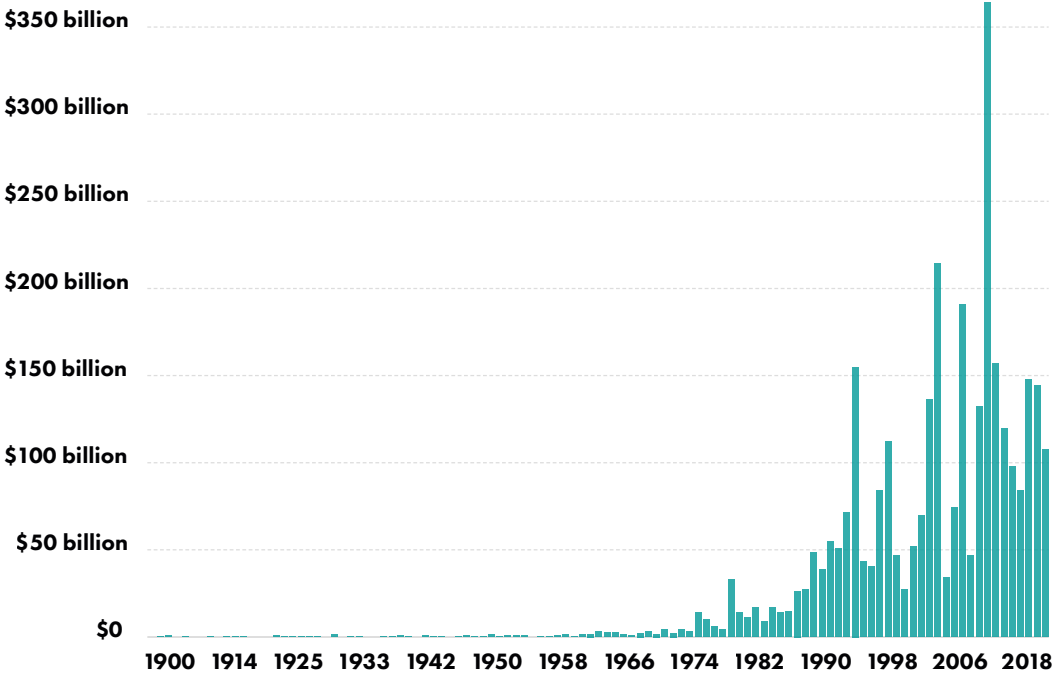
Activities and Outputs

1. Institution-building results in **intercity or regional Agency for Disaster Management**;
2. Policy development results in **temporary migration policy** between cities;
3. Service product development results in **insurance package** to cover temporary migration policy for the poor (i.e., people below a certain threshold of income, including migrants).

This project will potentially reduce the national cost of a rapid response facility (since it proposes a facility for groups of cities as opposed to one facility for each city) and, more importantly, reduce the negative impact of a severe natural disaster on the national and regional economy. The aim is to avoid a complete socioeconomic breakdown by safeguarding millions of citizens, including the poor, to be able to temporarily continue their lives and economic activities in neighboring cities.

Economic Damage by Natural Disaster Type

Global economic damage from natural disasters, differentiated by disaster category and measured in US\$ per year.



Source: EMDAT (2019): OFDA/CRED International Disaster Database, Université catholique de Louvain, Brussels, Belgium

Annex: Wildcards

In a structured brainstorming with all GGF 2030 working groups, we collected around 50 ideas for wildcards. Out of these, the following are considered possible within the coming decade and the most impactful on the role of cities in addressing global challenges. We use the following wildcards to indicate a date of expiry for our scenarios. In case any of the following wildcards materializes, our scenarios might no longer adequately represent the space of possible futures for the role of cities in global governance. They are not listed in a specific order but can vary in terms of speed, reach and impact.

OTHER WILDCARDS

- › AI takes over the mayor’s role
- › Full implementation of COP21 climate goals
- › Walls in cities
- › Major world city declares independence

RAPID DE-URBANIZATION

- › Artificial intelligence (AI) overtakes human intelligence, automating knowledge work and leading to increased unemployment among the middle-class in cities
- › Major innovations in transport

IMPLOSION OF A WORLD CITY LIKE BEIJING

- › Air quality reaches toxic levels
- › Absolute drought
- › Environmental accidents
- › Major cyber attack on critical infrastructure

SELF-SUFFICIENCY OF CITIES

- › Breakthrough in non-fossil-fueled, decentralized power generation
- › Breakthrough in water treatment and purification (through nanotechnology and biotech)
- › Food revolution, making traditional agriculture in rural areas obsolete

CONFLICTS BETWEEN MAJOR CITIES

- › Strong coalition of mid-sized, right-wing cities balancing against major, liberal cities
- › Identity-based cities/racialization of cities

Methodology

What are the most pressing global challenges in the coming decade that we need to think about today in order to avoid surprises, mitigate risks, and make use of opportunities? In search of the answers, GGF fellows collaborate in developing new and better ways to think about a future that they themselves will help to shape.

The GGF method supports the fellows in this ambitious task by providing an intellectually challenging framework that enables structured communication and rigorous thinking. The fellows use a variety of strategic foresight instruments, including scenario planning and risk assessment, to constantly create a better understanding of future challenges. GGF fellows combine their insights on possible future developments with their distinct normative convictions about the shape and role of global governance.

The GGF method provides a platform for intercultural exchange. Fellows are exposed to different national and professional viewpoints. They can safely challenge one another's ideas while reflecting on their own assumptions, and they can learn about the strategic interests, options, and opportunities for policymaking for uncertain futures. The results reflect the shared understanding between nine countries and five world regions, while at the same time highlighting the divergences that global governance must overcome in order to jointly confront global challenges.

At the end of the program, GGF fellows are encouraged to turn the knowledge they have gathered over the course of their GGF experience into individual and/or collaborative products that provide recommendations to policymakers at the national and international levels.

Working Process

To better understand a wide range of global policy challenges of the future, GGF fellows divide into three working groups, each examining a particular topic. The fellows of GGF 2030, the latest round of GGF, looked ahead to the year 2030, focusing on the futures of global order, of global migration and refugees crises, and of the role of cities in global governance. The working process was structured in four parts and corresponded

to the four GGF dialogue sessions that took place in five of the GGF participating countries in 2018 and 2019. During each session, the fellows engaged in intense discussions within their respective working groups, participated in workshops with experts, and conducted meetings and interviews with policymakers, academics, and private sector representatives.

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