



Urban Economics

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1. Urban Economics

2. What is meant by Urban Economics?

- Urban economics represents a framework within which the spatial character of economic systems may be understood. Spatial character is one of several characteristics of economic systems such as ownership, economic decisions, motivations, and location.
- Main Questions of Urban Economics include:
 - What are cities?
 - What is the difference between a city as agglomerations of people and a city as economic and political unit?
 - What determines the growth and size of a city?
 - Which policies can modify the shape of a city?
 - Which kind of problems arise because of rapid urbanization?
 - (crime, transportation, housing, education and local government corruption)
 - Why do cities exist?
 - Why do some cities grow faster than others? (causes of rapid urbanization)
 - Why do some generate more wealth?
 - Why do people live in cities?
 - Why do firms decide to locate in specific locations?

According to “The United Nations Human Settlements Programme (UN–Habitat)”, Urban economics focuses on promoting: Urban Strategies and Urban Policies, which are required to strengthen the capacity of cities to realize their full potential as drivers of: Economic Development, Economic Wealth, and Employment Creation.

A number of consequences and causes of urban growth and sprawl has been listed. Lets start fist by consequences, the main list include:

- Increase in Air Pollution
- Increase in Water consumption



- Decrease in Biodiversity

Causes of urban growth and sprawl include: Population Growth (Malthusian Theory), Economic Growth (Urbanization in the growth theory), Industrialization (Industrial Cities), Employment opportunities (Labor market- Internal migration & International migration), Others: Speculation (Housing Policy in Developing Countries).

3. Malthusian Theory

Malthus believed that **population** increased **geometrically** (see figure 1&2), while **food** could only increase **arithmetically**, leading to catastrophic starvation. According to the theory, only **three** ways to avoid this outcome:

- Disease
- Famine
- War

It should be noted that, humanity has avoided this outcome by learning to produce more food .. (i.e., a **technological solution** to a biological problem)

Figure (1) Population Growth 1700-2100

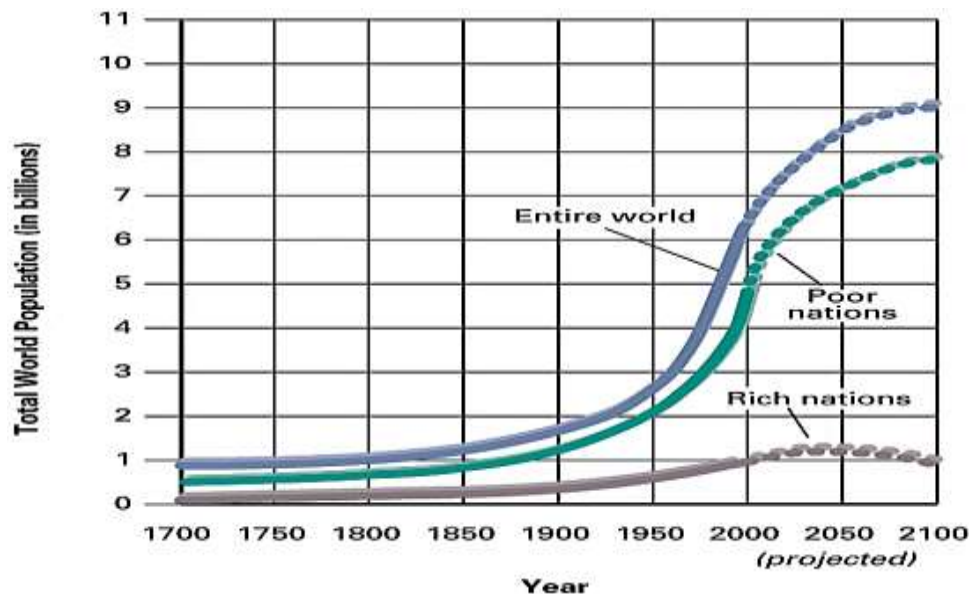
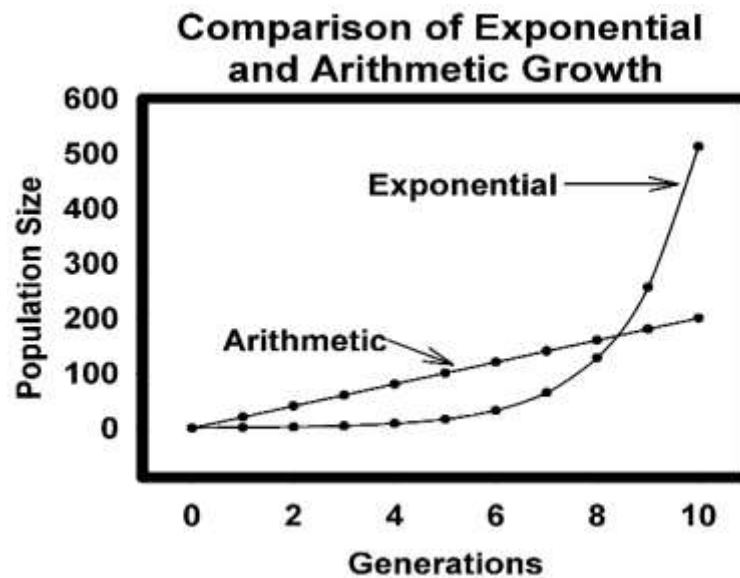


Figure (2) Comparison of Exponential and Arithmetic Growth


4. Demographic transition theory

It is a theory linking population patterns to a society's level of technological development. It suggests that technology holds the key to population control. It entails four stages (see figure2):

Stage 1 **Preindustrial**

- high birth rates, high death rates.

Stage 2 **Onset of Industrialization (developing Countries)**

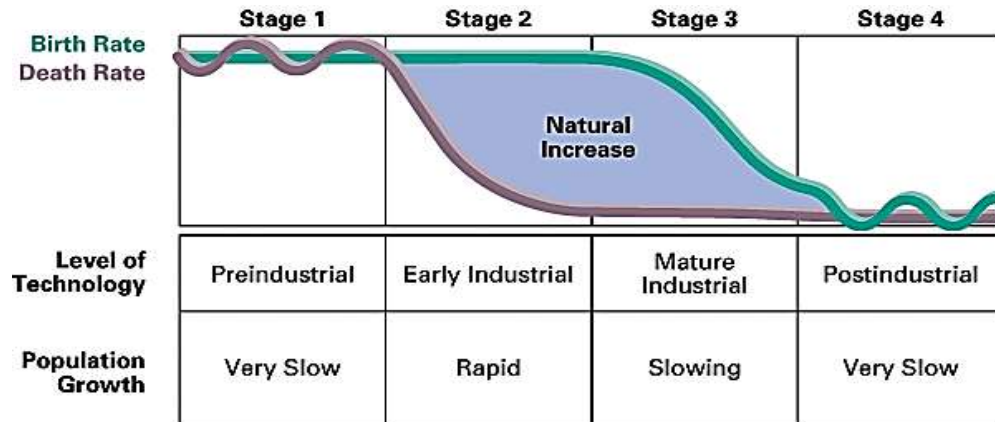
- high birth rates, low death rates.

Stage 3 **Industrial Economy**

- declining birth rates, low death rates.

Stage 4 **A postindustrial Economy**

- low birth rates, steady death rates.

Figure (3) The Demographic Transition


5. Urbanization: The Growth of Cities

Urbanization is the concentration of humanity into cities. Urbanization can be shown through **the evolution of cities**. Early settlements were more villages than cities in today's terms. The introduction of manufacturing led to the creation of cities. Ex. Preindustrial European cities. Furthermore, specialization and innovation have led to the emergence of modern cities with higher living standards. In order to measure urbanization, several of the major statistics are used:

- Population and Housing Census
- Gender Statistics
- Labor Statistics

➤ **Population and Housing Census:**

There exist two main types of censuses: (1) International Census, e.g., (UN) World Population and Housing Census; (2) National Census, e.g., HIECS (Household Income, Expenditure, and Consumption Survey)

First: (UN) World Population and Housing Census

It was approved by the UN Statistical Commission and adopted by the UN Economic and Social Council. The programme recognizes population and housing censuses as:

(1) One of the primary sources of data needed for **formulating, implementing** and **monitoring** policies aimed at:

- Inclusive socioeconomic development
- Local economic development
- Environmental sustainability.

(2) An important source for supplying **disaggregated data** needed for the measurement of progress of the 2030 agenda for sustainable development, especially in the context of **assessing the situation of people** by **income, sex, age, race, ethnicity, migratory status, disability** and **geographic location**, or other characteristics. This can be shown in several demographic Statistics, as shown in the following list.

- **Total Population:** Total population is based on the de facto definition of population, which counts **all residents** regardless of legal status or citizenship- except for refugees not permanently settled in the country of asylum, who are generally considered part of the **population** of their country of origin.
- **Population In Urban Agglomerations:** Population in urban agglomerations is the percentage of a country's population living in **metropolitan areas** that had a population of more than one million people.
- **Male Population Ages 60 and Above:** Male population above 60 as a percentage of the total male population.
- **Population Density:** **Population** density is midyear **population** divided by land area in square kilometers. Land area is a country's **total area**, excluding area under inland water bodies, national claims to continental shelf, and exclusive economic zones (EEZ). In most cases the definition of inland water bodies includes major rivers and lakes.
- **Population Growth (Annual %):** Annual **population** growth rate for year t is the exponential rate of growth of midyear **population** from year t-1 to t, expressed as a percentage .
- **Population Density:** **Population** density is midyear **population** divided by land area in square kilometers.

- **Population Growth (Annual %):** Annual **population** growth rate for year t is the exponential rate of growth of midyear **population** from year $t-1$ to t , expressed as a percentage .

6. Population Dynamics:

➤ Exponential growth & Logistic growth

In **exponential growth**, a population growth rate stays the same regardless of population size, making the population grow faster and faster as it gets larger. In nature, populations may grow exponentially for some period, but they will ultimately be limited by resource availability. Exponential growth produces a **J-shaped curve** (See figure 3).

In **logistic growth**, a population growth rate gets smaller and smaller as population size approaches a maximum imposed by limited resources in the environment, known as the carrying capacity. logistic growth produces an **S-shaped curve**.

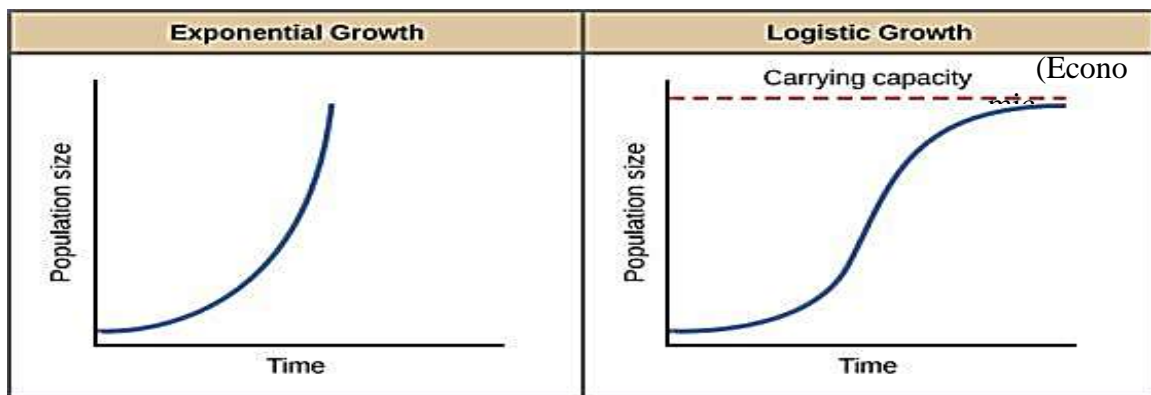


Figure (3) exponential and Logistic Growth

Carrying capacity is the maximum number of a species, including humans, an environment can support indefinitely. Carrying capacity for a species or populations relies on the amount of **available resources**, **population size** and the **resources** each individual in the population **consumes**. When the number of individuals gets large enough, resources start to get used up, slowing the growth rate.



Thus, in logistic growth, population will:

<p>01</p> <p>Grow when resources are in surplus,</p>	<p>02</p> <p>Decline when resources are scarce,</p>	<p>03</p> <p>Stabilize when the population is at the maximum level that can be sustained.</p>
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➤ **How could we derive logistic population growth?**

A general equation for the **population growth rate** is:

$$\text{Population growth rate} = \frac{dN}{dt} = R N$$

Where R is the Malthusian parameter [$R = (r - m)$]. It measures How quickly the population grows per individual already in the population; R is also known as “**net growth rate**”, i.e birth rate minus mortality rate.

$$r = \text{per capita birth rate} = \frac{\text{number births per year}}{\text{population size}}$$

$$m = \text{per capita mortality rate} = \frac{\text{number deaths per year}}{\text{population size}}$$

Thus,

The rate of change of N will be due to births, r , (that increase N) and deaths, m , (that decrease it).

Rate of change of N (i.e. dN) = Rate births – Rate deaths. Thus, dN is the change in number of individuals in a population over time; N : population size; T : time; R : is the per capita net rate of increase.

If we assume no movement of individuals into or out of the population, in this case the parameter R is just a function of birth and death rates.

Notes:

- The total number of births into the population in year t is rN , and the total number of deaths out of the population in year t is mN .
- The rate of change of the population as a whole is given by the derivative dN/dt .

Then:

$$\frac{dN}{dt} = rN - mN = (r - m)N = RN$$

- The population will grow provided $R > 0$ which happens when $r - m > 0$ i.e. when the per capita birth rate, r exceeds the per capita mortality rate m . If $R < 0$, or ($r < m$) then more people die on average than are born, so that the population will shrink.
 - The equation above is very general, and we can make more **specific forms** of it to describe two different kinds of growth models: **exponential** and **logistic**.
 - When the *per capita* net rate of increase (R) takes the same positive value regardless of the population size, then we get **exponential growth**.
 - When the *per capita* net rate of increase (R) decreases as the population increases towards a maximum limit, then we get **logistic growth**.

Thus from the following equation:

$$\frac{dN}{dt} = R N$$

We can drive:

Exponential Growth	Logistic Growth
<ul style="list-style-type: none"> - Per capita growth rate (r) doesn't change even if population gets very large. - $\frac{dN}{dt} = R \max N$ 	<ul style="list-style-type: none"> - Per capita growth rate (r) gets smaller as population approaches its max. size. - $\frac{dN}{dt} = R \max \left(\frac{K-N}{K} \right) N$



<p>K-N: tells us how many more individuals can be added to the population before it hits carrying capacity.</p>	<p>$\left(\frac{K-N}{K}\right)$: the fraction of the carrying capacity that has not yet been “used up.” The more carrying capacity that has been used up, the more the $\left(\frac{K-N}{K}\right)$ term will reduce the growth rate.</p>
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Notes:

- When the population is tiny, N is very small compared to K.
- Then $\left(\frac{K-N}{K}\right)$ term becomes approximately $\left(\frac{K}{K}\right)$, or 1, giving us back the exponential equation. this explains why the population grows near-exponentially at first, but levels off more and more as it approaches K.

Second: National Census:

An example of national census is what is well-known as HIECS (Household Income, Expenditure, and Consumption Survey).

In general household data provide economists and statisticians with a lot of useful data. The following types of data about and from households:

- Administrative data
- Case studies
- Census of Population and Housing
- Household Surveys

Household Budget Surveys (HBS)

Definition: Statistics of household budgets (family) is one of the sources of socioeconomic statistics, which studies the standard of living and, mainly, its financial condition.

The statistics on population incomes and expenditure are obtained from the statistical research in households called the Household Budget Survey (HBS).

The main objective of the HBS is to determine people's level of life through incomes, expenses, consumption, living conditions and other indicators from a multi-aspect perspective. The information collected within this research allows identifying the categories of disadvantaged households/individuals and analyzing the impact of various programs and policies on the social-economic situation of the population. In addition, the HBS provides the necessary information to determine the shares used in the calculation of the CPI, evaluate the final consumption of households and measure poverty and social exclusion. The HBS is conducted on a sample of dwellings and, respectively, households from urban and rural areas that are randomly selected on the whole territory of the country.

These types of surveys are usually supported by Central Banks and IMF. These surveys have the following objectives:

(1) Collect information on **household expenditures** (and **income**) to produce or update the weights for **consumer price indices** as well as to provide inputs for **national accounts**.

(2) Provides an objective picture of the state of and changes in the level and structure of **income**, **expenditure**, and **accumulation** of various groups of the population.

(3) Collecting information about basic characteristics of household members and dwellings, employment status, use of agricultural products.

(4) It allows us to study the **dynamics** of **consumer demand**; since it contains information on the individual sources of revenues.

(5) It contains information about characteristics of the **living standards** of **certain social groups** that are widely used in a variety of economic and statistical calculations, such as in the calculation of gross domestic product

and its distribution. This allow us to establish differences depending on the **age** and **sex composition** of the family.

Main output products of HBS:

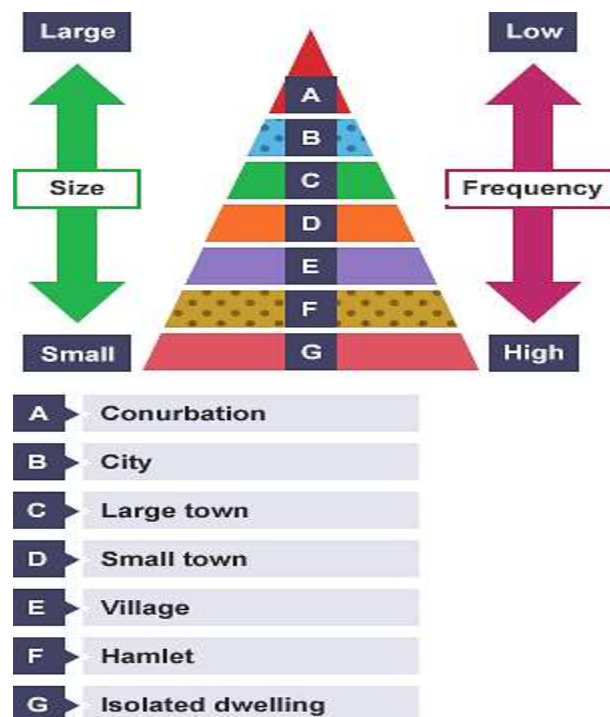
1. Quarterly Bulletin
2. Statistical Yearbook

Sample of Statistics: Food Security and Poverty; Income and Expenses; Consumption Household Expenditure on Food; Structure the Cost of Food Basket; and Food consumption per capita.

7. What is a settlement hierarchy?

A settlement hierarchy is a chart used to model the relationship between various human population centers based on their size, population, and available services.

A settlement hierarchy



Conurbation / Megalopolis (supercity): a group of large cities and their suburbs, consisting of three to ten million people.

Metropolis/ large city: a city is generally an extensive human settlement with a sophisticated system of transport, communication, sanitation, and housing, among others. A city with a large population and many services. The population is <1 million people but over 300,000 people

Town: a place where people have settled and is larger than a village but smaller than a city in different entities. Towns, on the other hand, may share some geographic and demographic similarities with cities, but in smaller sizes. They tend to be less densely populated than cities and have less diversity in terms of people's ethnicities. Towns also have smaller geographical areas. Towns have smaller economies usually driven by local small and medium enterprises. They have no major employers and the circulation of money is not as active as in cities. Towns do not usually grow to merge with other towns except in rare cases and, although they have plans, these plans are not as sophisticated as in the case of cities. Generally, towns have the ability to grow into cities.

Example: Egypt

27 Governorates, each headed by a Governor who is appointed by the President. Within their districts, local government units establish and manage all public utilities, provide services, and designate industrial areas. Local Popular Councils are elected bodies that work closely with local government administrative units at various levels.

Egyptian law identifies five types of local units:

Governorates, cities, markaz (kisms), hai, and villages (shieakhah); each one of which has its own legal authority. Governorates are established by presidential decree and can include one city or more. Markaz (kisms), cities, and hai are established by a decree from the prime minister after the approval of the local public council. Villages (shieakhah) are established by a

governor's decree, on the recommendation of the markaz (kism) public council and with the approval of the local governorate public council.

8. A Guide for Municipalities

➤ An Introduction to Urban Strategic Planning

A strategic plan is a document that establishes the direction of a work unit, i.e. a country, a governorate, a municipality, a city, a district, a suburb, a village or town, a firm.

Example, strategic plan for a country

Egypt has traditionally been divided into two regions: Lower Egypt (Wagh al-Bahari), north of Cairo, and Upper Egypt (As-Sa'id), south of the capital.

Under the local government system established in 1960, Egypt is organized into 26 governorates, each headed by an appointed governor. The governorates are responsible for social, health, welfare, and educational services and for the social and economic development of their region. They are also required to supervise the city and village councils, which are constituted in a similar manner. Real authority resides in Cairo in a highly centralized regime, heavily burdened by bureaucracy. Since 1994, village mayors, who were previously elected, have been appointed by the Ministry of the Interior.

➤ Importance of Planning

There is broad agreement among nonprofit leaders and experts that planning is a critical component of good management and governance.

The aim of good management is to provide services to the community in an appropriate, efficient, equitable, and sustainable manner.

This can only be achieved if key resources for service provision, including human resources and finances are brought together at the point of service delivery and are carefully synchronized.

The aim of good governance is to ensure predictable, open and enlightened policy, together with a bureaucracy imbued with a professional ethos and an executive arm of government accountable for its actions. All these elements are present in a strong civil society participating in public affairs, where all members of the society act under the rule of law.

Planning helps assure that an organization remains relevant and responsive to the needs of its community and contributes to organizational stability and growth. It provides a basis for monitoring progress, and for assessing results and impact. It facilitates new program development. It enables an organization to look into the future in an orderly and systematic way. From a governance perspective, it enables the stakeholders to set policies and goals to guide the organization.

Most organizations understand the need for annual program objectives and a program-focused work plan. Funders require them, and they provide a basis for setting priorities, organizing work, and assessing progress.

It should be noted that:

Longer-range planning requires some level of organizational stability: It is very difficult to plan in a crisis, and unrealistic to look five years ahead unless an organization has some confidence that it will exist next year.

Planning that focuses on a period of three years or more requires an organized, serious effort which takes time and energy. There may need to be a formal community needs assessment as input to planning. This is extremely valuable, but also demanding. Moreover, planning is not a one-time effort; any plan needs to be reviewed, monitored, and updated. The benefits to an organization can be significant -- a clear focus, a sense of joint purpose and agreed-upon priorities, consensus on strategies, and a basis for measuring progress and impact.

Defining Long-Range and Strategic Planning

The term strategic planning has become very popular in recent years. Many nonprofit organizations now talk about doing strategic planning rather

than long-range planning. Yet the difference between the two is not intuitively obvious, nor universally agreed upon. Following are typical definitions and explanations of the two terms:

Long-range planning: The process by which the leaders of an organization determine what the organization wants to look like at the end of a specified period of time – usually three to five years – then use that vision to establish multi-year goals and objectives which describe what the organization wishes to accomplish, and develop programs, tasks, and timelines for achieving them.

Long-range planning predicts future conditions and realities, internal and external, and plans how the organization can function effectively within them.

Because it involves multi-year projections, it cannot be as specific as short-term or operational planning, which generates a work plan with detailed annual objectives, tasks, methods, timelines, and responsibilities. However, it tends to be more focused on specific objectives and timelines than strategic planning.

Strategic planning: The process by which leaders of an organization determine what it intends to be in the future and how it will get there. To put it another way, they develop a vision for the organization's future and determine the necessary priorities, procedures, and operations (strategies) to achieve that vision. Included are measurable goals which are realistic and attainable, but also challenging; emphasis is on long-term goals and strategies, rather than short-term (such as annual) objectives. Strategic planning assumes that certain aspects of the future can be created or influenced by the organization. Strategic planning is ongoing; it is "the process of self-examination, the confrontation of difficult choices, and the establishment of priorities. Strategic planning involves **"charting a course that you believe is wise, then adjusting that course as you gain more information and experience"**.

Differences between strategic and long-range planning: While closely related to long-range planning, strategic planning is generally considered to

place a greater emphasis on strategies – on how the organization will achieve its vision – while long-range planning places greater emphasis on determining the vision.

A Strategic Planning Process

Typical steps for strategic planning are described below. Steps 1-3 occur before a strategic planning retreat, Steps 4-7 during the retreat, and Steps 8-10 after the retreat.

- 1. Agree on a strategic planning process:** Provide an understanding of what strategic planning is and how it is done; Discuss its potential value to the organization, in terms of providing a common vision and focus, with agreed-upon goals and strategies; Consider whether the organization is "ready" for a long-range plan or whether it may best focus on a short-term plan, perhaps doing a one-year plan and then undertaking longer-term planning at the end of that year; If strategic planning seems appropriate, consider what procedures or steps can be used to establish and implement a strategic plan.
- 2. Carry out an environmental scan:** This helps provide an understanding of how the organization relates to its external environment. The scan usually includes an external component -- identifying and assessing opportunities and threats in the external environment -- and an internal component -- assessing organizational strengths and weaknesses. This process is often referred to as "SWOT": strengths, weaknesses, opportunities, and threats.

The external component of the environmental scan

It includes an assessment of the organization's opportunities and threats facing the organization.

This might include the following: **(1)** examining changes in trends of demographic, political, economic, social, and sometimes technological and laws and regulations variables that may affect the community or the institution and the population it serves. **(2)** looking at actual and potential competitors, including organizations which may serve the same neighborhood and/or target

population or may seek funds from the same funding sources, public or private.

This process may involve a community needs assessment with interviews, focus groups, and fax or e-mail surveys that is conducted by a consultant, or may be limited to a small number of informal discussions with clients and other community residents, public officials, funder representatives, and other appropriate individuals.

The internal component of the environmental scan

It includes an assessment of the organization's strengths and weaknesses. This might include the following: (1) assessing current organizational performance in terms of financial and human resources (inputs), operating methods or strategies (processes), and results or outcomes (outputs). If the organization does not have extensive objective measures of its outcomes, perceived performance can be partially determined through asking clients and stakeholders. Try to understand how key players or stakeholders in the broader community -- as well as constituents or clients -- view the organization. Sometimes, brief written forms are sent to, or interviews conducted with, key stakeholders; interviews are best conducted by a consultant, to assure frank and honest responses. Once you have this information, be sure to further analyze the reasons -- in terms of inputs and processes -- for perceived weaknesses in outcomes.

The committee responsible for the strategic plan should work with staff to plan the environmental scan, help to conduct external interviews with community leaders – especially if no consultant will be used, and assure that the board receives a full report on the results of the environmental scan process.

3. Identify key issues, questions, and choices to be addressed as part of the strategic planning effort.

The planning group might work to identify strategic issues emerging from the environmental scan, and then prioritize them in terms of importance,

timing, and feasibility. The result should be a set of strategic issues that will be addressed as part of the strategic planning process.

e.g., the need for new programs to address a particular community need such as education or housing, expansion of the organization's target area from particular neighborhoods to the entire city or county.

Once Steps 1-3 have been completed, you are ready to develop a strategic planning retreat agenda.

4. Define or review the organization's values, community vision, and mission.

This involves agreeing on **values**, **vision**, and **mission**.

Organizational or institutional core values: those beliefs or principles that guide the organization or institution.

Community Vision: your vision for the community; it might be viewed as your image of what the community you serve would be like if your values were shared and practiced by everyone.

Mission: It might be viewed as your organization's public statement of the contribution it promises to make to help accomplish the community vision.

5. Develop an action plan that addresses goals and specifies objectives and work plans on an annual basis.

Once the longer-term elements of a strategic plan have been developed, it is time to ensure a specific work plan to begin implementation.

6. Build in procedures for monitoring, and for modifying strategies based on changes in the external environment or the organization.

progress towards goals and objectives and use of strategies is monitored regularly, with strategies revised and annual objectives developed yearly, based on the progress made, obstacles encountered, and the changing environment. Have procedures for taking advantage of unexpected changes

such as more sympathetic elected or appointed officials, improvements in the economy, changes in local funder priorities, or changes in the target population.

Phases and Stages of Urban Strategic Planning Process

<p><u>Phase 1: Urban Situation Analysis</u></p> <ul style="list-style-type: none"> -Stakeholder Analysis -Urban Situation Profiling -Urban Situation Appraisal -Investment Capacity Assessment 	<p><u>Phase 3: Sustainable Action Planning</u></p> <ul style="list-style-type: none"> -Drafting Action Plans -Local Resource Mobilization -Public-Private Partnerships
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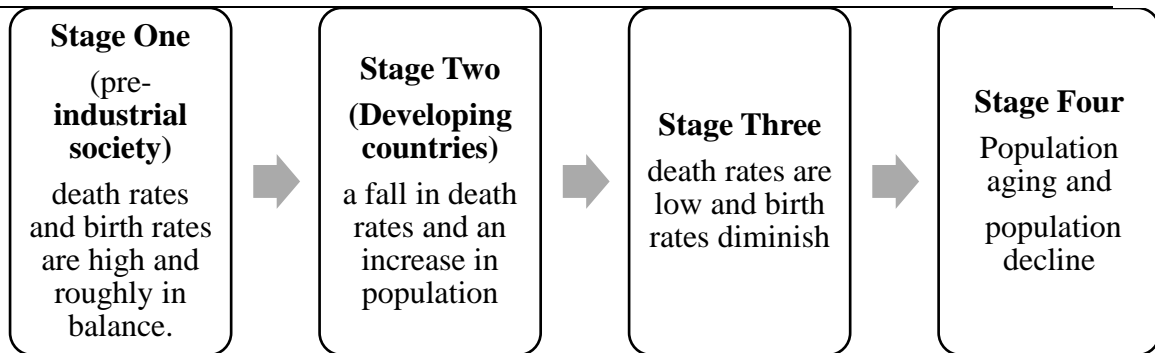
Sample Format for a Strategic Plan

- 1. Introduction**
 - a) Need for a Strategic Plan
 - b) How the Plan was Developed
- 2. The Environmental Scan**
 - a) Organizational History and Structure
 - b) The External Environment
 - c) The Organization
- 3. Organizational Values, Vision, And Mission**
 - a) Values or Operating Principles
 - b) Community Vision
 - c) Organizational Mission
- 4. Goals, Planned Accomplishments, and Strategies**
 - a) Organizational Vision and Planned Accomplishments: The Organization in X Years
 - b) Goals and Priorities
 - c) Strategies
- 5. Monitoring and Review**
 - a) Monitoring Progress
 - b) Plans for Reviewing and Refining the Plan
- 6. Annual Plan**
 - a) Program
 - b) Management/Institutional Development
 - c) Governance
 - d) Monitoring and Evaluation
- 7. Attachments**

-Consolidated Urban Diagnosis	
<p><u>Phase 2: Sustainable Urban Development Planning</u></p> <ul style="list-style-type: none"> -Urban Consultations -Drafting the Strategic Urban Development Plan (SUDP) -Approval and adoption of SUDP 	<p><u>Phase 4: Implementation and Management of Projects</u></p> <ul style="list-style-type: none"> -Project Design -Management and Coordination -Monitoring and Accounting -Reporting

9. Urban Terms

- **Urbanization:** A process whereby populations move from rural to urban area, enabling cities and towns to grow.
- **Urban sprawl or suburban sprawl:** It describes the expansion of populations away from central urban areas into low-density, monofunctional (single purpose) and usually car-dependent communities, in a process called suburbanization.
- **Population Growth:** demographic theories such as Malthusians theory, Neo-Malthusians theory, and demographic transition theory, demonstrate the influence of population growth on societies, i.e. three cases are possible: Growing Population, Stable Population, and Contracting Population.
- **Demography:** The science dealing with the size, distribution, composition, and changes in population. All population change within a society can be reduced to three factors:
 - the birth rate,
 - the death rate, and
 - the migration rate into or out of the society.
- **The Demographic Transition Model (DTM):** is a graph that represents population change over time. It looks at how birth and death rate affect population levels.



- **Fertility:** The number of live births in a given year for every thousand people in a population.
- **Mortality:** The number of deaths in a given year for every thousand people in a population.
- **Migration:** The movement of people into and out of a specified territory. It may be voluntary or involuntary. The net migration rate is the difference between the in-migration rate and the out-migration rate.
- **The available incomes of the population:** are the sum of cash and in kind resources obtained from a paid activity and self-employment, from the sale of agricultural products produced on the auxiliary land plot, income from assets, pensions and other social benefits, as well as other current transfers (including goods and money received from outside the household). **The incomes available by type** may be in cash or in kind:
 - **Cash incomes** are amounts of cash received by people from different sources that are not reimbursable;
 - **In kind income:** it is **income** other than money **income**. It includes the value of consumption from the household's own resources (auxiliary land plot, stocks, etc.) and the value of incomes received at the workplace, education, individuals, cash benefits, etc. In addition, it includes many employee benefits and government-provided goods and services, such as toll-free roads, food stamps, public schooling, or socialized medicine.
- **The incomes available by their source are divided in:**
 - **Incomes from paid activity** are considered incomes received as wages, salary increases, bonuses, other salary entitlements provided for in the legislation or collective labor agreements for the time worked in the

- usual work schedule and in the additional one, as well as other salary entitlements. These incomes also include the value of products and services delivered as salary entitlements.
- **Incomes from the individual agricultural activity** are the net income from the sale of own agricultural products, as well as the counter value of consumption received from the own unsold agricultural resources.
 - **Incomes from individual non-agricultural activity** are the net incomes received from various types of self-employment in non-agriculture. These incomes also include the amounts received from the sale of end products of individual work activities and from the profit obtained by individuals as a result of trade-mediation activities.
 - **Incomes from assets** – funds received by the population as interest for bank deposits and loans provided to individuals; dividends and sales of shares; rent payments for assets that are not related to the production activity (real estate, means of transport, long-term use assets, etc.).
 - **Incomes from social welfare benefits** cover old-age pensions, disability pensions and survivor's pensions; social allowances; benefits for incapacity to work; one-off benefits (for child birth, death benefits, for the care of ill people); social allowances; benefits for veterans and war widows; scholarships, etc.
 - **Other incomes** – cash and goods received for free, cash received from life insurance, personal property, remittances, etc.
- **Population consumption expenditures by their destination are divided in:**
- **Expenses for food products** – overall expenditure for the procurement of consumed food products, as well as the counter value of human food consumption from the household's own resources.
 - **Expenses for alcoholic drinks and tobacco products** – overall expenditure for the procurement of alcoholic drinks, tobacco and smoking accessories, as well as the counter value of the consumption of these products from the household's own resources.
 - **Expenses for clothes and shoes** – overall expenditure for the procurement of clothes and shoes, as well as expenses incurred for the payment of services related to the production and fixing of these.

- **Expenses for dwelling maintenance** – overall expenditure for rent, energy, water and utility bills, as well as the expenses for refurbishing and repairing the dwelling.
- **Expenses for dwelling refurbishment** – overall expenditure for the procurement of long-term use goods, home appliances, as well as the payment of services related to the maintenance of these.
- **Expenses for healthcare and health** – overall expenditure incurred for the procurement of medicines, medical equipment, sanitary and hygiene objects, payment of healthcare services and of hospitalized treatment.
- **Expenses for transport** – overall expenditure incurred for the procurement of vehicles, spare parts, services related to their maintenance and fixing, as well as the payment of various services of transportation.
- **Expenses for communications** – overall expenditure incurred for the payment of post and telecommunication services, as well as expenses related to the maintenance of telecommunication equipment.
- **Expenses for entertainment** – overall expenditure incurred for the procurement of social-cultural, leisure and sports objects; printed production (manuals, teaching materials, newspapers, office supplies, etc.); including the payment of different cultural activities and tourism services etc.
- **Expenses for education** – overall expenditure incurred for the procurement of manuals, school supplies, etc., as well as payments for education services, including extracurricular activities and private lessons.
- **Expenses for hotels, restaurants, cafes, etc.** – overall expenditure incurred for accommodation and nutrition outside the household in various specialized places.
- **Other expenses** – overall expenditure incurred for the procurement of hygiene and cosmetics products, haberdashery; payment for the insurance of life, real estate, means of transport, etc.; pocket money; money provided as a gift to individuals, etc.

- **Household** – a group of two or more individuals living together who are, generally, relatives and share a common budget, participate integrally or partially in the formation of incomes and their spending or the individual living and maintaining a separate household that does not belong to another household.
- **Household with children** is considered the household that includes children under 18.
- **Gini coefficient** – sets the degree of deviation of the effective distribution of incomes/expenses by equal groups of population from the line of uniform distribution of incomes/expenses. The statistical value of the coefficient varies from 0 to 1; when it is 0 – there is overall equality of incomes/expenses among all groups of population; when it is 1 – there is total inequality, all incomes/expenses belong to one individual.
- **Quintile** – one of the four values dividing the series of frequencies in five equal parts, so that the first 20% (1st quintile) represents the population with the lowest incomes/expenses, while the last 20% (5th quintile) represents the population with the highest incomes/expenses.
- **Decile** – is one of the nine values that divide the series of frequencies in ten equal parts so that the first 10% (1st decile) represent the population with the lowest incomes/expenses, while the last 10% (10th decile) represent the population with the highest incomes/expenses.

10. Case Study: Egypt “Urban Development Strategy”

- Egyptian cities have grown fast in the past 30 years. This has led to the continuous formation of informal settlements on the periphery of cities.

This rapid urbanization has led to:

- The loss of significant areas of prime agricultural land.
- The migration of the workforce seeking job opportunities.
- A lack of basic urban services has led to environmental degradation.
- Expansion of slums.

➤ Future Vision for Greater Cairo (GC)

Sustainable urban development is one of the key pillars to formulate the GC future vision. Such vision aims at turning the GC into a sustainable environment capable of achieving economic competitiveness. To ensure achieving the balance between the cultural, economic and political role, both regionally and internationally, on one hand, and providing a better living environment for the residents on the other hand, the following considerations have been taken into account:

- Creating the appropriate environment to achieve institutional transformations required to ensure the provision of services and infrastructure in all areas of the GC;
- Increasing the economic competitiveness of the GC and relying on knowledge economy by improving the infrastructure efficiency and effectiveness;
- Benefiting from the comparative advantages of the Capital City and achieving integration between the different settlements forming the GC;
- Striving to create an environmentally friendly production systems and consumption patterns;
- Reducing air pollution and providing successful and integrated solid waste management system.

One of the key foundations upon which the vision was built is the redistribution of the residents in the GC to achieve balance through the following steps:

- Addressing unsafe and unplanned areas;
- Constructing new roads to connect the already-established residential areas with new residential areas in the GC;
- Protecting and preserving planned areas through ensuring adherence to building requirements as well as setting building conditions for new areas;
- Creating new opportunities for development and encouraging the attraction of more investments in new urban communities;
- Raising the efficiency of municipal employees and following the latest methodologies to manage urban areas.