



The Inclusive Growth in Cities Campaign

Tackling inequalities and getting to Inclusive Growth

The growing gap between the rich and the poor has become a pressing global challenge. Income inequality in OECD countries is at its highest level in thirty years. Today, the average income of the richest 10% of the population is 9.6 times that of the poorest 10% across the OECD, up from seven times 25 years ago. Inequalities are even more pronounced in emerging and developing countries. Rising inequality harms economic growth by discouraging the poorest 40% of the population from investing in their skills and education. It also has the potential to undermine social cohesion and, in severe cases, threaten political stability.

With the support of the [Ford Foundation](#), the OECD launched an initiative on [Inclusive Growth](#) in 2012 to help governments analyse rising inequalities, monitor material living standards and broader well-being, and design policy packages that promote equity and growth. The OECD approach to Inclusive Growth is multidimensional, going beyond income to see how people are faring in other areas of life, like jobs and health.

Why cities matter for Inclusive Growth

Cities have a crucial role in making inclusive growth happen. They are major generators of growth and economic opportunity. However, rising inequalities, poor quality of services, fragmented labour markets, and narrowly framed institutions challenge the capacity of cities to grow inclusively – that is, to allow people both to contribute to and share in rising prosperity.

SAVE THE DATE

A conversation on Inclusive Growth in Cities: 29 March 2016 in New York

Join us on 29 March 2016 at the Ford Foundation in New York for a conversation on Inclusive Growth in Cities. The event will bring together Mayors, experts and leaders in the business sector and philanthropy. It will be the occasion to:

- Take a closer look at the data and policies that are most relevant for measuring and achieving inclusive growth
- Launch a coalition of Champion Mayors for Inclusive Growth
- Support the New York Proposal for Inclusive Cities.

What do we know about inequality in cities? The latest OECD evidence

- **In many OECD countries, urban income inequality has been rising faster than overall income inequality**, due to skills' distribution and the capturing of top earners.
- **Cities' contributions to wealth and inclusion vary substantially within and across countries.** For instance, metro areas in Italy and Korea accounted for more than 80% of job creation between 2000 and 2014, compared to less than 30% in Switzerland and the Slovak Republic.
- **Income inequality increases with city size.** Metro areas with over 1.5 million people register the highest levels of Gini index for disposable household income. But inequality goes beyond income. Multidimensional living standards – a composite measure of income, jobs, health and inequality – are on average higher in metro areas.
- **City and regional governments are critical actors in the policy domains that matter for inclusive growth.** Sub-national governments carry out around 40% of total public spending in the OECD, with 60% of this investment for economic affairs and education – key areas for inclusive growth.

Launching an Inclusive Growth in Cities Campaign

To operationalise inclusive growth in cities worldwide, the OECD is launching a global Inclusive Growth in Cities Campaign. The campaign is part of the broader Inclusive Growth initiative at the OECD, in partnership with the **Ford Foundation** and with support from the **Group of Friends of Inclusive Growth** led by the U.S. Ambassador to the OECD. It aims to provide mayors with a unique platform in the global debate on inequality, enabling them to share their voices and perspectives with national governments and other key stakeholders. The campaign will also facilitate the exchange of concrete solutions to inequality and empower local governments as leaders in the transition towards more inclusive growth.

Central to this campaign is the creation of a global coalition of mayors to promote Inclusive Growth. **Champion Mayors for Inclusive Growth** are invited to:

- Voice support for an inclusive growth policy agenda in their city, within their country and worldwide.
- Exchange best practices and policy tools for more inclusive cities in different policy domains, such as housing, transport, education and workforce development, among others
- Attend meetings of the Champion Mayors: The inaugural event on 29 March 2016 in New York as well as future meetings (e.g. Paris, November 2016)
- Support the **New York Proposal for Inclusive Cities**, a political commitment that will help shape a policy roadmap for inclusive cities.

The work of Champion Mayors will inform the OECD's recommendations on inclusive growth, which will be presented to governments of OECD member, its Key "emerging market" Partner countries, and developing countries that are members of the Development Centre.

Expanding the evidence base on inequality in cities

The Inclusive Growth in Cities Campaign will benefit from ongoing OECD research on how to make inclusive growth happen in cities, made possible with support from the Ford Foundation.

- **DATA:** Provide internationally comparable indicators to measure societal progress and inclusiveness in cities
- **EVIDENCE:** Assess patterns of inclusive growth across OECD cities with a measure of living standards that accounts for a range of well-being outcomes and the distribution of progress across social groups
- **DECISION-MAKING:** Analyse how cities are co-ordinating policies and engaging citizens and private stakeholders to foster Inclusive Growth

The results of this work will be published in OECD reports that will be shared with national governments. They will also allow for the exchange of best practices among cities that are part of this global coalition.

Contact

For more information, please contact InclusiveGrowth@oecd.org.