

Introduction

The New Global Frontier: Cities, Poverty and Environment in the 21st Century

THE EMERGING PROFILE OF THE NEW FRONTIER

The cities and towns¹ of Africa, Asia and Latin America are central to the demographic, economic and environmental challenges of the 21st century. The urban centres of low- and middle-income countries represent the new global frontier. Virtually all of the world's population growth is projected to occur in these cities and towns, and it is likely that they will account for most of the economic growth as well. Currently, more than 3.3 billion people live in towns and cities; the number is expected to rise to some 5 billion by 2030. Over 80 per cent of this growth will accrue to Asia and Africa, with most of the rest to Latin America.²

The urban transformation can be viewed as a set of momentous demographic and economic developments that present policymakers with opportunities as well as challenges. Cities are the locus of most economic expansion, and exemplify to rural and urban residents alike the hope of social advancement; they also concentrate poverty and environmental degradation. Massive urban growth in developing areas during coming decades may bring hope and wellbeing to millions of people, or it may exacerbate suffering and misery for the majority of new urbanites. The welfare of billions of people depends directly on how the world prepares for this inevitable growth in developing areas.

The quality of governance and planning in these urban areas will thus have both local and global significance. The residents of cities that are economically unsuccessful are likely to be exposed to environmental health burdens; even cities that are successful in narrowly economic terms may, if they are not properly governed, do global environmental damage (as currently affluent urban centres already do).

While accommodating urbanization and urban growth will no doubt be difficult, efforts to prevent these developments are likely to make matters worse, and

not just for the urban-dwellers. For reasons outlined in this book, the fundamental challenge is not to control the rate of urbanization, but rather to achieve a pace and pattern of urban development that is beneficial. The benefits must reach the urban poor as well as the elites, and must also be extended to both rural-dwellers and future generations. This challenge demands a proactive approach to urban planning which considers demographic and environmental futures while responding to current priorities. Such an approach demands, in turn, a sound understanding of urban development processes, locally, nationally and even internationally. This book is an attempt to contribute to this understanding.

Although it has not gone unnoticed, the urban transformation has yet to receive anything close to the attention it deserves. Of course, the *current* plight of cities and their slums, as well as the purported deterioration in their social and environmental conditions, are frequently highlighted. On occasion, at least, the productive potential of cities in the context of globalization has also been recognized. Yet the enormity of the impacts expected from urban growth in the developing world has not yet sunk in. Even less recognized is the fact that the future of developing-world cities – and, therefore, the very future of humanity – depends to a large extent on decisions that are taken *now* with respect to the organization of upcoming city growth.

This book proposes to reflect on several key strands in the larger story of 21st-century urbanization, with the aim of getting a better grasp on some of the actions that could be taken to make this process a more positive force for human development. The topics covered range over a wide spectrum of social, demographic, economic and environmental concerns. A recurring point is that, with a little support in the form of proper policies, urbanization can help to unshackle the bonds of perennial poverty, give people a better chance to live fuller lives and even help to deflect environmental damage. It is already a well-documented fact that, although the poor have been urbanizing even more rapidly than the population as a whole, the process of urbanization has helped to reduce overall poverty. But this record could improve significantly if better policies and proactive approaches were to replace the increasingly negative stances of policymakers to the urban transformation.

THE POTENTIALITIES OF THE NEW GLOBAL FRONTIER

Many policymakers and scholars still view urbanization as harmful and hope to somehow retard or even reverse it. To them, the concentration of poverty, slum growth, environmental problems and manifold social disturbances in cities paint a menacing picture. No one doubts that, in many countries, rural development priorities – which can play a vital role in reducing poverty and protecting the environment – do not receive the economic resources they deserve. The expert view, however, is all but unanimous: urbanization is not only inevitable but necessary

if poverty is to be reduced in the developing world and global sustainability enhanced.

Cities will inevitably have an increasingly critical role in future development scenarios. Urbanization can be critical for economic growth, for reduction of poverty, for stabilization of population growth and for long-term sustainability. But realizing this potential will require a different mindset on the part of policymakers, a proactive approach and better governance than has been observed up to now.

Urban development is essential – if not in itself sufficient – for economic and social development. No country has ever achieved significant economic growth in the modern age by retaining its population in rural areas. Most increments in national economic activity already take place in urban areas. These cities and towns account for a growing share of national economic production because of their advantages in terms of proximity, concentration and scale. In the context of globalized economic competition, these advantages can be heightened.

Proximity and concentration make it easier and cheaper for cities to provide their citizens with basic social services, infrastructure and amenities. The higher intensity of economic activity in cities can foster employment and income growth, the starting points for improved social welfare. These potential benefits are often only partly realized, however, with urbanization being accompanied by unnecessary increases in inequality and fast-growing slums. Both urban and rural poor often lose out to urban elites. They also lose out when the residents of low-income urban neighbourhoods are prevented from securing the advantages of their urban location.

For better or worse, urbanization also constitutes a prime mover of cultural change, with an enormous impact on ideas, values, beliefs and social organization. For migrants, cities present new opportunities for access to diverse resources and knowledge in a wide range of areas. Cities allow greater flexibility in the application of social norms that traditionally impinge on freedom of choice, especially for women. They have the potential to provide more opportunities for social and political participation and new roads to empowerment, as evident in the rise of women's movements, youth groups, community associations and organizations of the urban poor in developing-world cities. Cities are also at the heart of local, national and global environmental change. While it is true that cities currently concentrate and exemplify the environmental problems produced by conventional development strategies, they are also critical elements in the solutions. Demographic concentration is likely to be essential to the preservation of the world's remaining rural ecosystems. The potential value of urbanization for long-term environmental sustainability is thus being increasingly recognized. Settlement patterns, geographic and ecological location, density, and urban management practices can all have an extraordinary impact on how urban growth affects the environment.

The demographic importance of cities is not limited only to their size and growth but also to their role in the future evolution of fertility rates and thus of global population growth trends. In almost all developing countries, the fertility

transition occurs first and proceeds fastest in cities. Cities offer few incentives for large families. Moreover, access to health services, including reproductive health facilities, is typically better than in rural areas. Consequently, the pace of urbanization can be expected to have an important impact on the trajectory and timing of population stabilization in developing countries.

In short, social, economic, demographic and environmental outcomes for the future will hinge largely on what happens in the cities and towns of today's poor countries. Upcoming urban growth could, under the right policy framework, generate progress in all these domains. A new vision and improved governance, based on a better understanding of urban growth processes; better information; respect for the poor's right to the city; and enhanced participation by all sectors of urban society would help upcoming urban growth play multiple positive roles in improving people's lives.

FACTS, FALLACIES AND POLICIES ON URBAN GROWTH

To date, only a few countries and international agencies seem to have recognized the potential benefits of the new urban frontier. Progress has been hampered by the fact that urbanization and urban growth generally get bad press and are often viewed negatively by policymakers. Cities in developing countries tend to be viewed as unmanageable social cauldrons that concentrate not only people but also poverty and social disorganization. Much of this perception stems from misconceptions that need to be set right before more effective policies can be put into place. A brief review of key trends should help correct these misunderstandings and better set the stage for a fresh look at the new frontier.

First fallacy: All developing countries and regions are going through the same urban transition

Actually, there are large differences in the levels and patterns of urbanization between, and within, countries conventionally labelled as 'developing'. As seen in Figure I.1, the path of today's developing countries to urbanization and urban growth not only differs significantly from the past patterns of developed countries, but also varies considerably by region. For instance, most Latin American countries are well advanced in their urban transition; thus much could be learned from their experiences, both positive and negative. By contrast, several large, populous countries in Africa and Asia still have a predominantly rural base.

Among the three major developing regions, Latin America already has high levels of urbanization. Asia and Africa have initiated their urban transition at a much later date, with much larger population bases than was the case in Latin America. Consequently, as depicted in Figure I.2, Asia and Africa are projected to experience by far the largest expansion of absolute urban population. Between

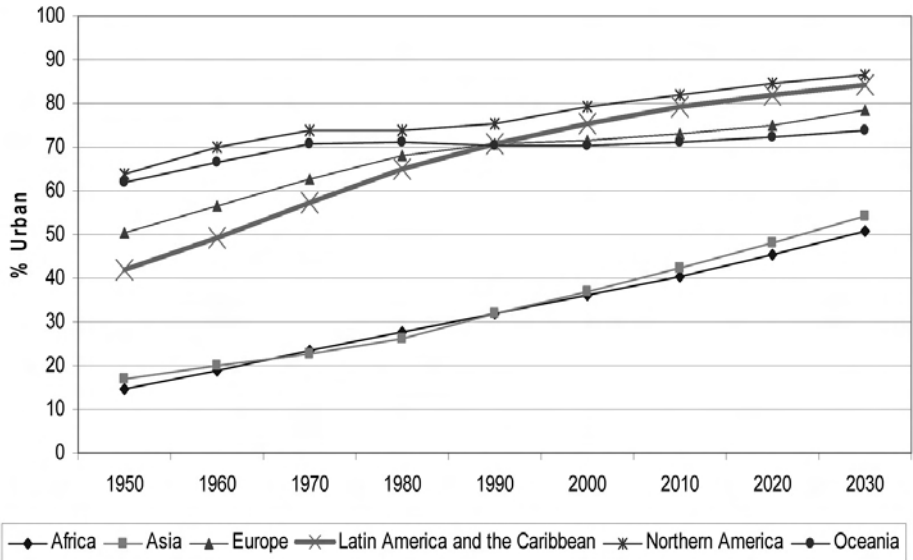


Figure I.1 *Percentage of the total population living in urban areas, by region, 1950–2030*

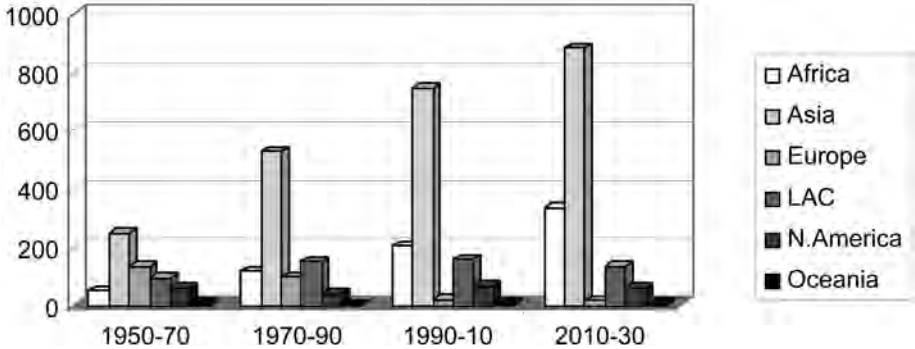


Figure I.2 *Absolute increases in urban population by world regions, selected periods (000s)*

Source: United Nations, 2006 (see note 2).

2000 and 2030, Asia's urban population will nearly double – from 1.36 to 2.64 billion. Africa's is projected to more than double from 294 to 742 million, though because of poor data, difficulties in taking account of the AIDS pandemic and economic instability, this projection is particularly uncertain. Latin America's urban population is expected to grow from 394 to 609 million. By 2030, Africa and Asia will include almost seven out of every ten urban inhabitants in the world.

Second fallacy: Most urban growth is occurring in mega-cities

Much public attention in recent years has been centred on mega-cities, defined as urban centres with populations of 10 million or more. Actually, there are only 22 cities of that size today; the majority of them are dynamic and functional centres. Moreover, some of these larger cities have already shown a propensity for slower population growth. Still more important, cities of this size are *not* home to a large proportion of the world's urban population, nor are they expected to absorb a significant proportion of urban growth in the foreseeable future.

As shown in Figure I.3, smaller urban centres (those with less than 500,000 inhabitants) still contain more than half of the world's urban population. Moreover, they will continue to absorb about half of urban growth. Mega-cities, by contrast, account for only nine per cent of the current urban population, and this is not expected to change drastically in the future.

This distribution is of considerable importance for shaping policy, and a much closer look needs to be taken at the possibilities and difficulties of smaller urban centres. The good news is that smaller cities are likely to have more flexibility in terms of the direction of territorial expansion and, to some extent, the autonomy of decision-making. And in some cases they may be able to attract investments within the contexts of decentralization and globalized economic competition. The bad news is that smaller urban centres generally have more unaddressed problems in terms of adequate housing, piped water, sanitation, waste disposal and other services. Moreover, smaller urban centres tend to have fewer human, financial and

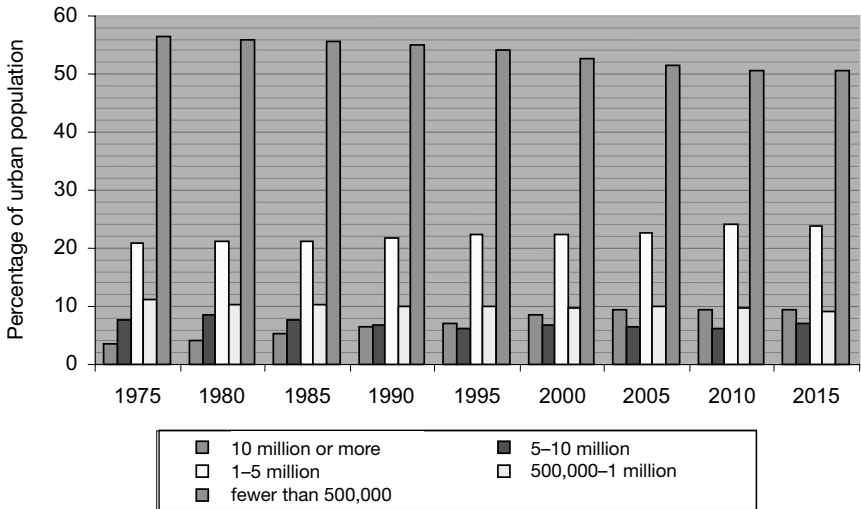


Figure I.3 *Percentage of world urban population by size class of settlement, 1975–2015*

technical resources at their disposal. The combination of these characteristics makes them prime candidates for technical and financial support.

Third fallacy: The poor are a marginal minority in urban centres

The relationship between poverty and urbanization is complex and often misunderstood, which tends to perpetuate inadequate policies. On average, the residents of urban areas generally enjoy social and economic advantages relative to rural inhabitants. This disparity sometimes influences policymakers to favour solutions that try to resolve poverty in rural areas, while also attempting to prevent rural–urban migration, in the hope that this will prevent the transfer of poverty to cities. Yet the paradox is that, while urban poverty is growing and already much larger than generally depicted in global figures, the solutions to poverty, under good governance and proper policies, are more likely to be found in the economic dynamism of the cities.

It is important to look beneath the urban and rural averages in formulating pro-poor policies and programmes. Urban settlements in low- and middle-income countries almost invariably contain large pockets of poverty, and vulnerability can increase with rapid urban growth. The stark realities of slum life defy description and statistics. Large sections of the urban population in developing countries are malnourished, have below poverty-line incomes and face high infant and child mortality rates and large preventable disease and injury burdens. Global assessments tend to underestimate urban poverty by failing to account for the higher monetary cost of non-food needs. Moreover, poverty is growing rapidly in urban areas while decreasing in absolute terms in rural areas, partly because population growth in rural areas is slow or nil due to out-migration.

Urban policies therefore need to recognize the fact that the poor make up a large portion, and sometimes a majority, of the urban population in developing countries. According to UN-Habitat,³ developing-world slums contain some 41 per cent of the urban population of these countries. About 72 per cent of urban populations in sub-Saharan Africa and 57 per cent of those in Southern Asia are slum-dwellers (UN-Habitat, 2006, p16). Furthermore, the percentage of slum-dwellers is largest in some of the subregions that are expected to experience the most substantial absolute urban growth over the coming decades.

It is of some relevance for policymakers that the poor make up an even larger component of *new* urban growth. Urban centres grow primarily through natural increase and through migration, and the poor tend to predominate in both these types of growth. Even though rural migrants generally benefit from the move, achieving higher standards of living than the rural average, many remain poor. Within urban areas, poor groups have higher rates of natural increase than the rest of the population.

Despite their numbers, poor people are often invisible to policymakers or are viewed by others as a marginal and temporary component of city life. Their needs are rarely prioritized in urban planning – which tends to be centred on making the city more functional for economic activity and for the needs of the middle and upper classes – and they fall through the cracks of formal real-estate markets. As a consequence, the poor often end up living on land that nobody else wants because it is too far from employment and services, too steep, too dangerous, too toxic, too ecologically vulnerable, or otherwise unacceptable for other uses.

This neglect of the needs of the poor is at the root of the appalling housing situations faced by slum-dwellers throughout the developing world. Shelter deprivation, lack of water and lack of sanitation all have important implications for people's lives. Lack of a decent shelter makes it much more difficult for poor people to take advantage of what the city has to offer. The neglect of the poor also makes it more difficult for the city to compete for productive investments, to generate a tax base, to create jobs and income, and, thus, to improve the overall quality of life.

Fourth fallacy: The poor are a drain on the urban economy

This commonly held view reflects a lack of understanding of the role that the urban 'informal' sector plays in urban and national economic growth. It is certainly the case that many of the urban poor work in informal activities. But in today's world, this sector is critical to the economy of developing countries – much of it is competitive and dynamic, well integrated into the urban and even the global economies. Informal activities can account for as much as two-thirds of urban employment in some countries and are a main source of employment and income for poor urban women.

However, a major consideration is that rural areas generally present even *fewer* options for gainful employment and for fulfilling minimal socioeconomic aspirations. Urban centres are more dynamic in generating economic activity and income. They inevitably have advantages of scale and proximity in terms of providing people with infrastructure and services.

Since the needs of the poor are not effectively addressed by urban administrations in poor countries, providing services for them has not generally strained budgets as much as attending to the needs of the better-off population. The fact that urban poverty is more visible and more politically volatile seems to be the primary implicit rationale for keeping people out of the cities. Unfortunately, such attitudes also lead to poor governance and to the failure to capitalize on the potential advantages that cities have to offer. Ultimately, treating 'rural' and 'urban' poverty as somehow separate is a short-sighted view of the problem. Successful urban development stimulates rural development and vice versa.

Fifth fallacy: Urbanization leads to environmental degradation

Economic and population growth create environmental pressures, not just in the locations where they occur but often in distant parts of the world. Since urbanization concentrates both people and economic activities, it is not surprising that it often gets blamed for creating these environmental pressures and the resulting degradation. Paradoxically, however, by concentrating these activities, urbanization often creates opportunities for reducing environmental pressures. Moreover, the local environmental health hazards associated with inadequate water and sanitation can be addressed more efficiently in urban areas due to returns to scale.

Transportation is one of the major sources of environmental burdens, and while urban settlements are transport hubs, urban clustering actually reflects the efforts of people and enterprises to reduce their need for transport. If people and enterprises were forced to stay in rural areas, then, for them to succeed economically, they would be likely to require more transportation than their urban counterparts. Well-planned urban settlement can have much lower built-over land requirements than rural alternatives, and compact urban development is less land-intensive than urban sprawl. Furthermore, concentrating environmentally harmful activities makes them not only more evident, but easier to control. Thus, while China's past policy of promoting 'town and village enterprises' had many successes, it was well known for creating severe environmental problems.

This is not to say that affluent urban centres are less of a threat to the global environment than are poor rural villages. On the contrary, while the living environment of affluent urbanites is typically far healthier than that of poor rural-dwellers, their 'ecological footprint' per capita is far greater. The fallacy is that it is urbanization itself that creates these environmental burdens. Indeed, where urban development is well managed, urbanization can help cushion the environmental impacts of economic growth.

In considering the alternatives to urbanization, it is also important to reflect on how these alternatives are to be achieved. It is all very well to posit an alternative where fewer people leave their rural homes and instead try to achieve their ambitions in rural areas. But how would this be accomplished? This leads to the last, and in some ways most fundamental fallacy.

Sixth fallacy: Governments should try to control rural–urban migration

The fact that urban poverty is readily visible to policymakers, some of whom view it as politically explosive, has in many countries led to anti-urban attitudes and policies.

It may seem sensible to suppress rural–urban migration to a level consistent with the availability of urban jobs and services. But on closer examination, the

view that rural–urban migration is a principal cause of urban poverty proves to be misguided. Indeed, measures to curb urbanization can make both rural and urban poverty worse. Because rural areas generally present even *fewer* options for gainful employment and for fulfilling minimal socioeconomic aspirations, mobility is a strategy that households and individuals adopt to improve their lives and to reduce risk and vulnerability. Facilitating urbanization and increasing interaction between rural and urban areas, rather than trying to prevent or ignore it, can stimulate both rural and urban development. Ultimately, treating ‘rural’ and ‘urban’ poverty as somehow separate is a short-sighted view of the problem. Successful urban development and rural development are mutually beneficial.

Moreover, the implicit assumption that most governments have suitable policy tools for implementing planned changes in migratory flows is wrong. Policies that attempt to control migration flows directly are almost invariably punitive and economically costly. Policies that influence migration indirectly are almost invariably better if justified in terms other than the size of the impact on migration.

The best-known policies that have successfully controlled rural–urban migration have had to be very harsh. Many colonial policies limited the rights of rural-dwellers to come to urban areas, leading to a burst of migration in the wake of independence. In centrally planned regimes, rural–urban migration was often controlled tightly – as with the *Hukou* (household registration) system in China – but these controls have proved far harder to maintain with the loosening of markets. Apartheid South Africa instituted strict controls, but, again, these were dismantled with the decline of the authoritarian regime. In effect, measures to control internal migration have to be harsh when the migrants perceive clearly that they would benefit substantially from a move.

It is sometimes argued that a better way to control rural–urban migration is to invest in rural areas. However, even when it is sorely needed, rural investment does not necessarily reduce rural–urban migration – particularly if poverty is inhibiting people from migrating, as is often the case, or if the rural investment displaces rural-dwellers, as is also often the case. More important, the suitability of rural investment cannot be judged on the basis of its effects on migration, and to do so would be bad economics.

In any case, in demographic terms, the main cause of urban growth in most countries is not rural–urban migration but natural increase: the difference between births and deaths. Overall, some 60 per cent of urban growth is due to natural increase, with rural–urban migration and reclassification accounting for the remainder. As urbanization advances, the contribution of natural increase eventually becomes greater – even after factoring in the usual decline in fertility that accompanies urbanization. For instance, the current contribution of natural increase to city growth in the Latin American and Caribbean region is estimated to be 65 per cent, despite the significant reduction in urban fertility.

In situations where decision-makers are legitimately concerned with the rapid pace of urban growth, it may well make sense to assist women who want to lower their fertility – through social development, the empowerment of women and better access to health services, including reproductive health services. It is unlikely to make sense to try to prevent people from moving to urban areas.

ORGANIZATION OF THIS VOLUME

This book is divided into five parts, each examining a particular aspect of the urban challenge and containing between three and six chapters. The first part reviews the demographics of the urban transition and the importance of rural–urban relations. The next two parts focus on two of the major urban challenges of the 21st century: eliminating poverty and achieving environmental sustainability. These challenges must be met in changing demographic and social circumstances, and the fourth part considers several of the most significant of these changes. The challenges also vary across the world, and the final part explores the regional patterns of urbanization in parts of Africa, Asia and Latin America.

Each of these five topics is briefly summarized below. More detailed summaries, describing the content of individual chapters, are provided as introductions to each part.

Urban transitions

Although the demographics of the transition from rural to urban are comparatively well documented, there remain both real uncertainties and misconceptions. The three chapters of this part challenge the misconceptions and explore the uncertainties. The misconceptions range from the view that urban growth is predominantly the result of migration and is concentrated in mega-cities to the view that excessive rural–urban migration predominates in the emergence of slums and that the policy challenge is to reduce this migration. Uncertainties arise from the still crude nature of most spatial information and the enormous variety of local conditions and changes over time. The state of play is changing rapidly, however, and the coming decades are likely to see major advances in our understanding of urban transitions.

Shelter and urban poverty

Soon after the start of the 21st century, the world's urban population outnumbered its rural population. Over the course of the next few decades, the urban poor are likely to outnumber the rural poor. The pace of urbanization is likely to depend in large part on rates of economic growth and where this growth is concentrated.

However, the scale of urban and even world poverty will depend heavily on urban policies and development strategies. The four chapters in this part explore the experiences of the past and draw lessons for the future. While there have been many failed attempts to address urban shelter and poverty problems, there have also been notable successes. Special attention is paid to relations between organizations of the urban poor and their local governments, and to proactive planning for urban growth and expansion. If successful approaches to both of these can be combined effectively, the possibilities for addressing urban poverty in the 21st century will be greatly enhanced.

Urban growth and its challenge for sustainability

Urbanization is not in itself bad for the environment, and indeed provides many opportunities for improving people's living environments, reducing pressures on local ecosystems and even reducing global environmental burdens. Rapid and undirected urban growth does pose major environmental challenges, however, and these challenges are not being met. Instead, there has been an overly narrow focus on economic growth, and the positive environmental potential of urbanization is not being exploited. The chapters in this section both set out the challenges and examine different ways of addressing them. New ways of conceptualizing the relationship between urban development and the environment are described. Old debates, such as that surrounding urban sprawl, are re-examined. New threats, such as those from sea-level rise and more severe storms, are assessed. While there is still a long way to go in our understanding of urban growth and its challenge for environmental sustainability, these chapters make it clear that this is no excuse for inaction.

The changing face of urban demography and its potentialities

Ongoing rapid changes in fertility patterns, age composition and migratory behaviour in developing countries create a fast-changing panorama of opportunities and challenges in urban areas. A key consideration that is finally receiving its due in the literature, and that is explored herein, is that urbanization is, in itself, a prime factor in poverty reduction. Changing urban dynamics also present new options for enhancing women's and youths' empowerment, addressing the issues of ageing and confronting the AIDS epidemic. However, as the several chapters in this part make clear, policymaking will have to be refocused if developing countries are to take advantage of these potential benefits. Moreover, the importance of different community associations and social movements, including women's and youth groups, means that these will have to be given a larger role in decisions that affect them. It is also evident that making available reliable and updated information to local communities, to planners and to the media can help materialize the urban

advantages by fostering the open discussion of strategies leading to more focused policies and more effective programmes.

Regional patterns of urbanization and linkages to development

There is enormous variation around the world in the patterns of urbanization and their linkages to development. Perhaps surprisingly, there is a large regional component to this variation. Within what is often termed the ‘South’, Latin American countries tend to be largely urban already; Asian countries are more likely to be rapidly both urbanizing and growing economically; sub-Saharan African countries are the least urban and many have been experiencing economic difficulties. But even regional generalization can be misleading. The urban areas of sub-Saharan Africa are perhaps not so lacking in opportunity as many would claim. China and India may both be large countries undergoing both rapid economic growth and urbanization – but the differences within as well as between them are enormous, and often their policy issues are very localized. On the other hand, the lessons from one region are often relevant to the others. Thus, for example, Latin American experiences illustrate the dangers in trying to inhibit urbanization, rather than turning it into a positive force, not only for economic development but also for reducing the poverty and environmental burdens that often accompany economic growth.

NOTES

- 1 For the sake of simplicity, we have tended to avoid referring to ‘towns and cities’ in this book; as is accepted practice, the term ‘urban’ applies to all manner of towns and cities defined as such by their respective countries, and the term ‘cities’ is used as shorthand for the more cumbersome ‘towns and cities’.
- 2 Unless otherwise mentioned, all data in this chapter are based on United Nations (2006) *World Urbanization Prospects: The 2005 Revision*, Population Division, United Nations, New York, NY.
- 3 UN-Habitat (2006) *The State of the World's Cities 2006/7*, Earthscan, London.