

State of the World's  
**CITIES** 2008/9  
HARMONIOUS CITIES

# Part One

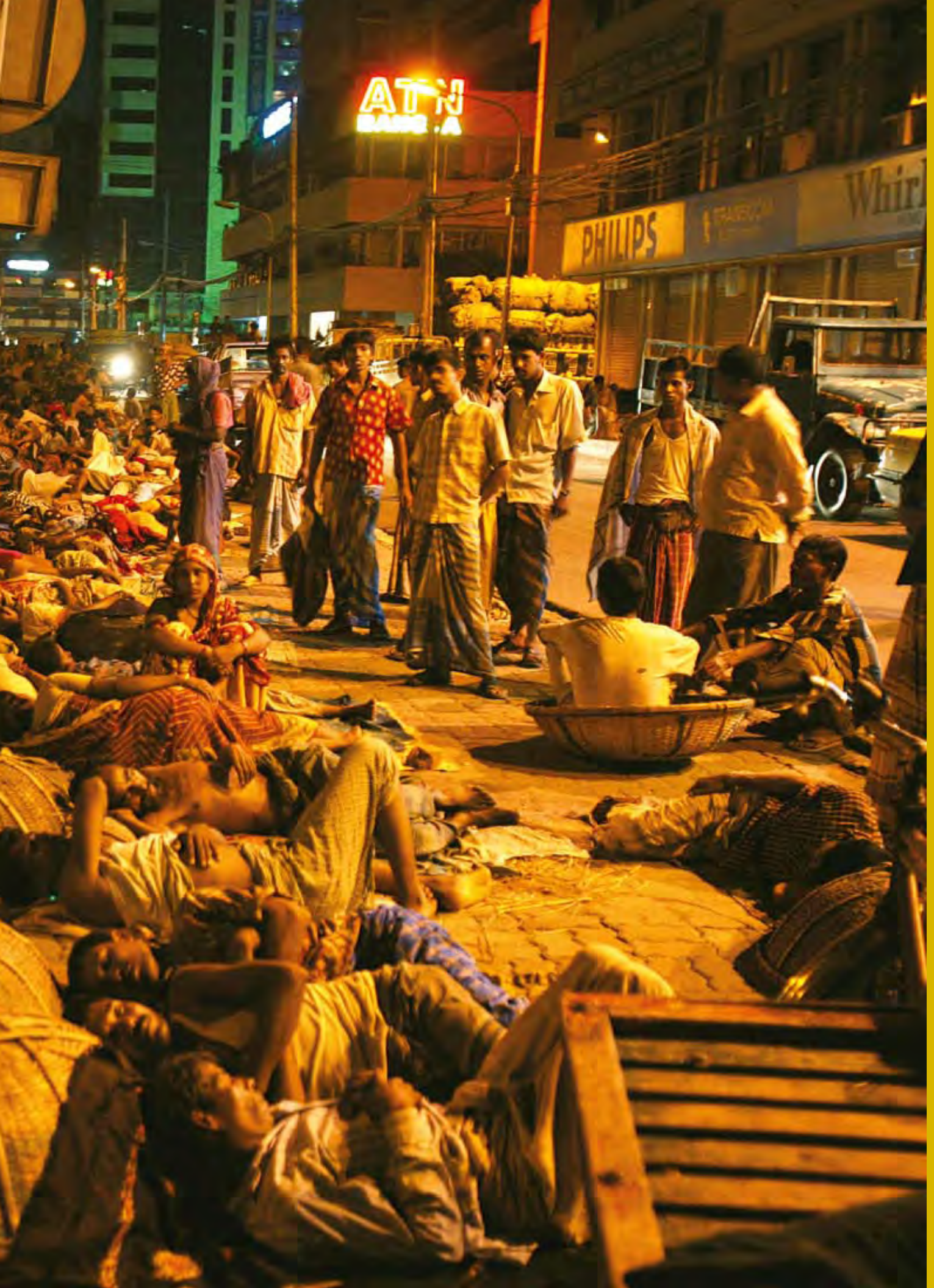
# SPATIAL HARMONY

# 01

Cities and the regions surrounding them have a symbiotic relationship; as long as this relationship is understood and carefully nurtured, both will advance together. Part 1 presents preliminary observations on the spatial identity of the world's cities, going beyond the "one or two cities tell everything approach" that has dominated urban studies so far. It shows with compelling evidence that the growth of cities is experiencing a dramatic bifurcation: while most cities in the developing world are growing, with some doubling in size every 15 to 30 years, some cities are actually experiencing population loss.

These changes are neither random nor organic; urban growth and decline are a result of a combination of factors, including geographical location, natural population growth, infrastructure development, national policies, corporate strategies and globalization. Understanding the determinants of the growth or decline of cities can help planners to support the processes that lead to harmonious urban development and to deal with some of the negative consequences of urban growth, such as asymmetrical regional development and rural-urban disparities.





# 1.1

## The Spatial Distribution of the World's Cities



▲ Montevideo cityscape from port district  
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### Geography matters

The evolution of cities is intimately linked to geography. Archaeological evidence shows that many of the oldest human settlements were located along the banks of mighty rivers and lakes, in deltas or along coastlines. Locations near water offered opportunities for fishing and agriculture, which helped ensure a steady food supply. Coastal cities and cities located in river deltas also served to link local economies to regional and global supply chains and trade; such cities have continued to provide vital economic links throughout time.

Coastal areas have always been preferred locations for human settlements, both in ancient times and today. Cities located near the sea have an obvious advantage: they provide access to sea trade routes and links.<sup>1</sup> Globally, coastal zones are the most urbanized ecosystems, with 65 per cent of their inhabitants residing in urban areas; Europe, North America, Oceania, and Latin America have the most urbanized coastal areas, with more than 80 per cent of the population along coastlines living in cities.

Settling near large bodies of water has clearly been an important factor in the economic and demographic growth of cities. Inland water ecosystems, like coastal areas, also tend to be highly urbanized. Globally, 55 per cent of the world's population residing in inland water ecosystems was urban in 2000. In Africa, slightly more than 50 per cent of the population residing along the shores of inland lakes and rivers was urban in 2000, while in Asia, the figure was 47 per cent.<sup>2</sup> (Figure 1.1.1)

While coastal zones tend to be the most urbanized ecosystems in all regions of the world, they do not support the largest share of urban populations in countries with coastlines; in all regions of the world, except Oceania, cultivated ecosystems – or agricultural land – support the largest urban populations. In China, for instance, more than 85 per cent of the urban land area and urban population is located in cultivated ecosystems; China's coastal zone, however, represents just 2 per cent of the total land area but is home to 23 per cent of the urban population of the country and 14 per cent of the total population.<sup>3</sup>

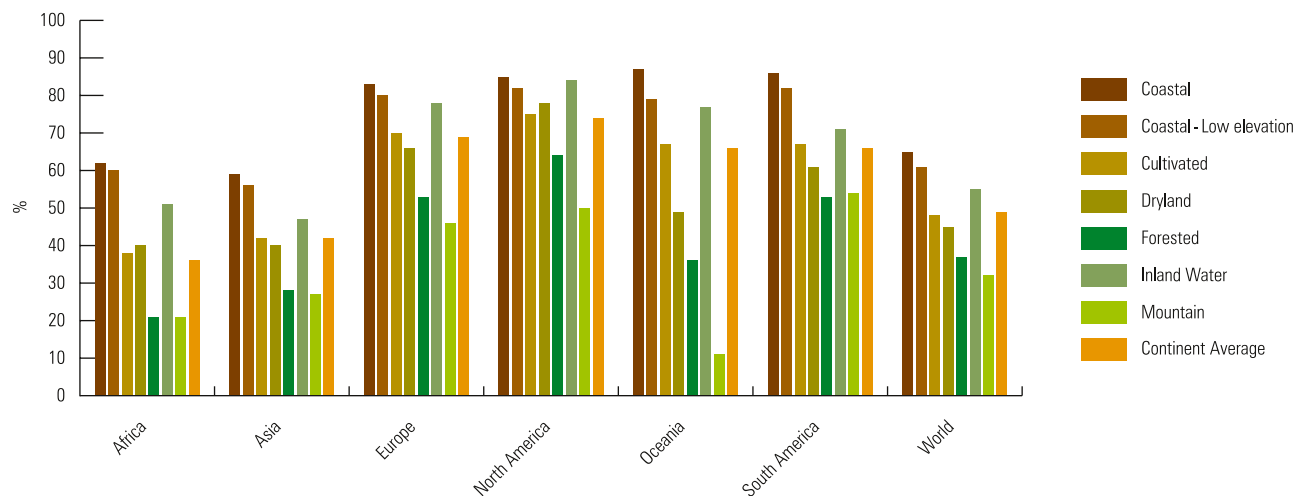
Cities located near the sea, along a river bank or in a delta tend to be the largest cities in all regions of the world. Port cities, in particular, continue to dominate the urban landscape of countries and regions. Fourteen of the world's 19 largest cities are port cities located along a coastline or in a river delta. (Fig. 1.1.2) A similar pattern exists at the regional level. Fourteen of the 20 largest cities in both Africa and Latin America and the Caribbean are located on a coastline or along a river bank. In Asia, the dominance of port cities is even greater: 17 of the region's 20 largest cities are either coastal, on a river bank or in a delta. In general, large cities – both coastal and inland – in the developing world tend to be larger and more dense than those in the developed world, as most cities with populations greater than 500,000 are located in

low- or middle-income countries, with Asia having the largest number of cities with populations of 1 million or more.<sup>4</sup>

Rivers and delta regions have played an equally important role in the growth of Asian cities as coastlines; half of the largest cities in the region developed along important rivers that serve as gateways to coastal and inland areas. In the developed world (including Japan), 35 of the 40 largest cities are either coastal or situated along a river bank. In Europe, rivers have played a more important role in determining the growth and importance of a city than the sea; more than half of the 20 largest cities in the region developed along river banks. These cities have played, and continue to play, an important role in the economy of the region. As the volume of sea trade has more than doubled in the last 30 years, and is likely to grow, port cities are likely to gain even more economic importance in the future.<sup>5</sup>

Cities in other ecosystems are now growing faster around the world than cities in coastal zones. Globally, cities located in mountainous regions grew at almost the same rate as cities located in coastal zones (approximately 2.5 per cent a year) between 1995 and 2000. Although cultivated and dryland ecosystems supported the largest share of the total urban population of Africa between 1995 and 2000, the urban population in forested and mountainous areas grew the fastest during the same period. Urban growth in these areas, however, could have negative implications for the continent's already fragile environment, and for climate change. In Asia, cities in both coastal and cultivated areas grew at the same rate (3 per cent a year), while in Latin America, cities in dryland, forest and inland water areas grew at the same rate (2.2 per cent a year) during this period. Projections suggest that in the next 15 years, cities in coastal, dryland, inland water, and mountainous ecosystems will grow steadily at an average rate of 2 per cent per year.<sup>6</sup>

FIGURE 1.1.1: URBANIZATION LEVELS (PERCENTAGE URBAN) BY ECOSYSTEM, 2000



Source: Balk et al., 2008.

## National economic and industrial policies make a difference

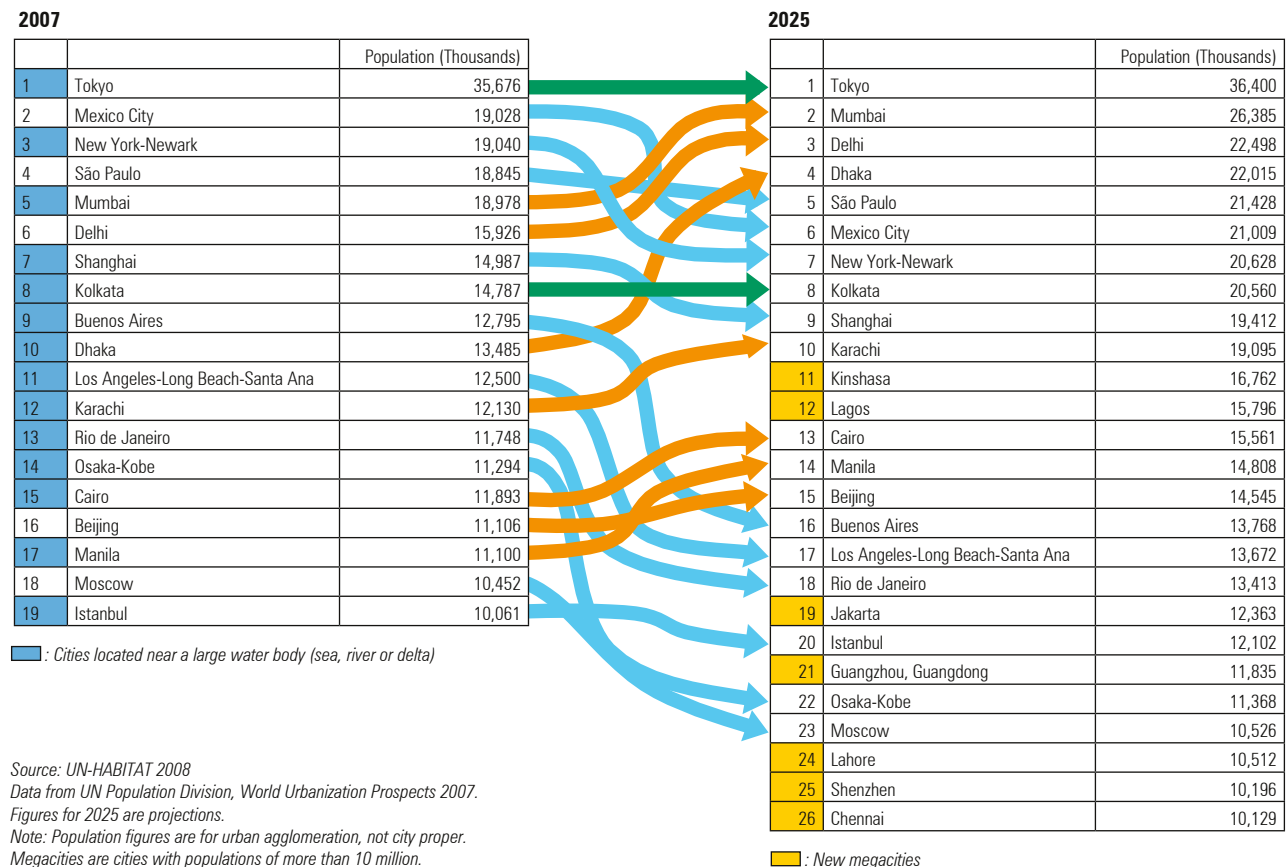
In the last two decades, some inland cities have taken advantage of the opening up of economies, the elimination of trade restrictions, and the reduction of tariff and transport costs to foster economic and population growth.<sup>7</sup> Other inland cities have used their proximity to larger urban agglomerations to improve their transport and communication systems to become more competitive. Many small cities are developing urban-scale economies, enhancing their ability to manage urbanization with added commuting technology and basic services, and are improving the delivery of social services to attract people and capital. As a consequence, some cities are growing very rapidly, other less rapidly and some not at all; in fact, numerous cities are experiencing a decline in their populations and in their economies.

These changes are neither random nor entirely organic; the growth of cities is determined by a variety of factors, many of which have to do with national policies. Governments and private capital often determine which cities will grow and which will not by deciding on the location of key investments, such as roads, airports, universities, communications, or capital, which influence a range of economic activities that lead to population growth or in-migration.<sup>8</sup> The city of Shenzhen in China, for instance, grew at the astounding annual rate of

20 per cent during the 1990s after it was declared a Special Economic Zone by the Chinese authorities in the 1980s. As an industrial growth pole, the city is now one of the most important transport and industrial hubs in China, and a key driver of the country's economy.

When central authorities implement macroeconomic policies or adopt specific economic or industrial reforms, some areas benefit more than others. The economic reforms have a cumulative impact; they in turn, influence the spatial distribution of new investments and employment in specific regions.<sup>9</sup> To some extent, the movement of rural populations to urban areas and movement of populations between different areas is linked to these spatial influences: people generally migrate to places where they think there are more opportunities, and the concentration of economic activity in cities is a major attractor for people from rural areas. However, rural-to-urban migration is becoming less prevalent in many regions as urban-to-urban migration and natural population growth gain momentum. Mobility from one city to another is becoming one of the predominant types of population movements in Latin America, where half of the people moving from one state to another originate from and end up in cities.<sup>10</sup>

FIGURE 1.1.2: THE WORLD'S MEGACITIES, 2007 AND 2025

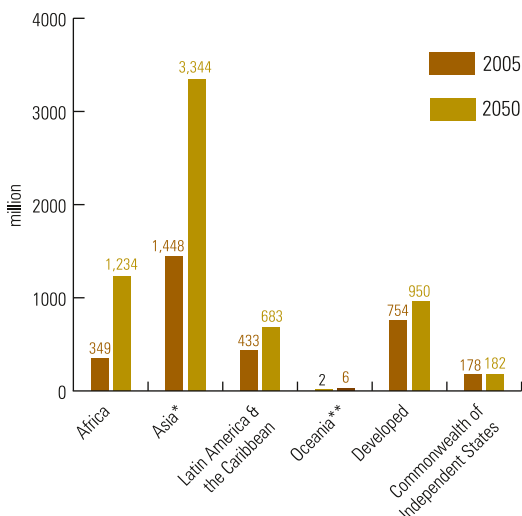


Source: UN-HABITAT 2008  
 Data from UN Population Division, World Urbanization Prospects 2007.  
 Figures for 2025 are projections.  
 Note: Population figures are for urban agglomeration, not city proper.  
 Megacities are cities with populations of more than 10 million.



▲ Pyramids along the River Nile: Many of the largest cities in the world have developed along river banks or deltas.  
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FIGURE 1.1.3: URBAN POPULATION (MILLIONS) BY REGION, 2005 AND 2050



Source: UN-HABITAT, *Global Urban Observatory*, 2008.  
Data from UN Population Division, *World Urbanization Prospects*, 2007 revision.  
Note: \*Asia doesn't include Japan. \*\* Oceania doesn't include Australia and New Zealand.

## Reconciling geography and economy with policy

Geography and national economic policies alone do not determine which cities will grow and which will decline. In an increasingly globalizing world, countries and cities that take advantage of global, regional and local markets tend to thrive while those that are not part of this marketplace tend to decline in size and significance. The concentration of economic activities and population generates efficiency gains in certain regions and urban centres that benefit from international, national and local factors, while leaving other regions and cities behind. This has led to regional imbalances in the incidence of poverty, on the one hand, and also intra-regional imbalances on the other. Whereas the top one-third of developing countries experienced a relatively large increase in the ratio of trade to Gross Domestic Product over the past twenty years, the remaining two-thirds of developing countries actually trade much less today than twenty years ago.<sup>11</sup>

Spatial and regional disparities have become more visible and have increased in many countries, particularly over the last two decades.<sup>12</sup> In Peru, the incidence of poverty in coastal



▲ Dhaka: This megacity is expected to absorb an additional 9 million inhabitants in the next 15 years.  
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districts was 46 per cent in 1997, while for districts at an altitude greater than 3,500 meters above sea level it was 63.3 per cent.<sup>13</sup> In Mexico, the poorest areas are mainly in the indigenous and rural south, while the north has benefited from strong investments and economic integration with the United States and Canada.<sup>14</sup> In China, large economic and social gaps exist between the mostly urban coastal areas and inland regions, with coastal areas growing five times as fast as inland areas. Income disparities between rural and urban areas in China are becoming more apparent and are rising. Urban per capita disposable income in 2003 was 3.23 times that of rural per capita net income, while urban per capita consumption was 3.6 times rural per capita consumption.<sup>15</sup>

Concentration of economic activities does not automatically lead to population growth. In Thailand, from 1987 to 1996, the capital city of Bangkok accounted for more than 52 per cent of the rise in GDP, but only 11 per cent of the increase in population. In contrast, the northeast region, which accounted for only 11 per cent of the GDP, experienced a 32 per cent increase in population.<sup>16</sup>

Numerous examples point to an increase in spatial disparities and uneven regional development around the world. What is clear is that these asymmetries are reflected in economic, social and health indicators and in development opportunities. In many developing countries, the average cost of education in a full-time four-year university is equivalent to 30 or 40 years

of income for a poor farmer, meaning that many children raised in rural areas cannot access a full education. Disparities at national and local levels have isolated entire areas and groups, and, in many cases, these inequalities are aligned to political and ethnic divisions. Regional rivalries and disputes have become major concerns of national policy makers, who understand that if sections of a country's population cannot savour the sweetness of economic growth and prosperity, their discontent may eventually spark off social unrest or conflict. Policymakers are becoming increasingly aware that economic growth and prosperity that excludes large portions of a country's population may not pave the way for peace and democratic institutions.

The Chinese authorities have acknowledged that "a most severe social crisis can erupt at the time when an economy reaches its most flourishing stage".<sup>17</sup> Official data corroborates this statement: incidents of social unrest, including strikes, demonstrations and riots, increased in China by nearly 50 per cent in the period from 2003 to 2005.<sup>18</sup> Voices of discontent are also being heard in other countries. In South Africa, for instance, the minister in charge of safety and security acknowledged that in 2005 alone, there were 881 protests in slums, approximately five times the number of any comparable previous period; unofficial sources indicate that at least 50 of these protests turned violent.<sup>19</sup> And in Kenya, many people believe that regional and intra-city disparities



and inequitable distribution of resources were the root causes of the ethnic tensions and violent conflicts that engulfed most of the country in January 2008.<sup>20</sup>

In Russia, India, Brazil, and most other developing and transition economies, the spatial dimension of inequalities has begun to attract considerable policy interest.<sup>21</sup> Yet, despite new interest in policy concerns arising from spatial and regional disparities, the dynamics of urban change that lead to spatial disparities in an increasingly urbanized world are not well understood.

Cities that are located near target markets and that have well-developed infrastructure (particularly transport and communications), are physically attractive or have a unique cultural identity are well-positioned to take advantage of regional or national development priorities and globalization. The success or failure of these cities and regions often depends on past or present national policies and historical events that have impacted them in different ways, however, in the vast majority of cases, natural geographical advantages play a more crucial role.<sup>23</sup>

After the widespread application of sectoral and spatial regional strategies during the 1970 and 1980s, recent years have witnessed a progressive disenchantment with the implementation of regional planning strategies.<sup>24</sup> Recent development has largely been based on economic growth strategies and different forms of medium- and long-term redistribution mechanisms – including targeting poor populations, enacting labour-intensive industrialization policies, enforcing employment generation policies, and the like – that do not have a clear spatial dimension.

This report advocates for decision-makers at all levels to become more cognizant of the regional and spatial dimensions of economic and social policies and institutions. Understanding the dynamics of urban growth is critical to propelling further urban development and to dealing with asymmetric growth and regional disparities. Through the analysis of these spatial disparities, the report seeks to raise several policy-relevant issues. The report also highlights the real need for regional and national governments to integrate regional considerations when formulating economic and social



▲ Car manufacturing: National industrial policies have an impact on city growth.  
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policies; otherwise, regional disparities and spatial inequalities may continue to grow.

Governments need to pursue national objectives while implementing a policy of interregional equity. This means that they need to provide continuous support to economically dynamic cities and regions and, at the same time, create conditions to mitigate imbalances. These efforts hinge on governments' ability to identify patterns of spatial organization of both economic activities and population that best combine environmental benefits with economic and social benefits.<sup>25</sup> By doing so, governments will reverse regional polarization and reduce spatial inequalities, thus creating conditions for more harmonious regional development.

## NOTES

<sup>1</sup> The Coastal Portal, 2007.

<sup>2</sup> Balk, McGranahan, & Anderson, 2008.

<sup>3</sup> Balk, McGranahan, & Anderson, 2008.

<sup>4</sup> Balk, McGranahan, & Anderson, 2008.

<sup>5</sup> Organisation for Economic Cooperation and Development (OECD), 2007.

<sup>6</sup> Balk, McGranahan, & Anderson, in press.

<sup>7</sup> Overman & Venables, 2005.

<sup>8</sup> DFID, 2005.

<sup>9</sup> Satterthwaite, 2007.

<sup>10</sup> Economic Commission for Latin America and the Caribbean (ECLAC), 2000.

<sup>11</sup> Rodriguez & Rodrik, 2000.

<sup>12</sup> Kanbur & Venables, 2005.

<sup>13</sup> Kanbur & Venables, 2005.

<sup>14</sup> Jiménez, 2005.

<sup>15</sup> UNDP, China 2006.

<sup>16</sup> Benn, 2005.

<sup>17</sup> Yuanzhu, 2005.

<sup>18</sup> Lum, 2006.

<sup>19</sup> Wines, 2005.

<sup>20</sup> Warah, 2008.

<sup>21</sup> Kanbur & Venables, 2005.

<sup>22</sup> In order to have a larger time frame of analysis, a new study was conducted from 1980 to 2000 for all the cities in the sample. This study, which has data for four different points in time, permitted a better understanding of trends in a longer perspective.

<sup>23</sup> DFID, 2005.

<sup>24</sup> Parr, 1999.

<sup>25</sup> Martine, 2001.