

# Development in Brief



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## The Century of the City - Risks and Opportunities of Urbanisation

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More than half of the world's population lives in cities. The urbanisation of the world will increase to 66 % by 2050, with 2.5 billion more people living in cities, according to UN forecasts (UN-DESA). About 90 % of this growth will take place in developing countries and emerging economies. There will be more than six billion people living in cities by 2050, more than the total number of people on the entire planet in 2000.

The urbanisation process is speeding up, as every week the population of urban areas increases by 1.3 million, which is equivalent to the size of Milan. In Europe and Latin America, the increase in the percentage of urbanisation from 10 % to 50 % on average took about 150 years. In some Asian countries, this change is happening in 55 to 70 years, more than twice as fast. Small and medium-sized cities are growing particularly fast.

There is little empirical evidence to indicate that this trend will be influenced by greater investments in rural areas, despite the hopes by many development actors that this might be the case. That's why development policies are needed that tackle the risks and opportunities of this trend at an early stage and make use of the opportunities to have a positive impact. In view of the dynamic process outlined above, it remains to be seen within the coming decades whether the opportunities offered by this rapid urbanisation will be used, or whether the downside of urbanisation will gain the upper hand.

### Urbanisation and development belong together

Urbanisation brings with it many opportunities, as cities are the engines of economic growth and development. According to the United Nations, cities already generate more than 80

% of the world's gross domestic product. A World Bank study points out the positive connection between urbanisation and per capita income. Urban areas are noted for their access to information, goods and services, as well as political participation. Division of labour and innovation are specific advantages of cities. Due to their density, cities can provide more people efficiently with schools, hospitals, transport, drinking water and energy. Urban areas offer more possibilities of income and much better chances to move up the social and economic ladders than rural areas do.

### Is urbanisation jeopardising sustainable development?

Urbanisation brings with it not only opportunities, but also a wide range of challenges. Unplanned and uncontrolled urbanisation can set back sustainable development for decades. Once streets and housing are built, it takes a lot of time, money and effort to reshape them due to ownership rights, risen land prices and the infrastructure that has been put in place.

According to the IPCC and IEA, today, urban areas generate about 70 % of energy consumption and more than 70 % of the global carbon emissions. The United Nations Environment Programme (UNEP) estimates that cities use about two thirds of the world's natural resources. This figure will rise further, as well as the amount of land that cities gobble up. Current estimates assume that, with a doubling of urban population, there will be at least a threefold increase in the amount of urbanised land. This land, which is needed for food security, to protect natural resources or for flood zones, is being paved over by expanding cities.

### Poverty is urbanising

The World Bank estimates that there are currently one billion people living in urban slums. This number is supposed to rise to three billion by 2050. Inequality is often higher in urban areas than in others. Cities also have a greater potential for conflict due to close quarters and population density which often ends up in violent conflicts. What's more, it is often the poor areas of cities that are affected the most by natural catastrophes and the impact of global warming. At times of floods or storms, the damage is likely to be enormous and to occur particularly fast due to the high density of population and infrastructure.

### Opportunities for development policy

Development policy can impact the process of urbanisation in many ways, including improving local government and the further development of resilient urban infrastructure, such as climate-friendly, inclusive transport, energy-efficient housing, clean drinking water as well as proper sewage and trash disposal. Measures that promote the economy and create jobs, especially for young people in order to reduce urban crime, also play an important role. The fight for sustainable development will be won or lost in the cities, according to the report of the High Level Panel of the Post-2015 Development Agenda.

