Meeting the Urban Challenges

Introduction

UN-HABITAT's Medium-term Strategic and Institutional Plan 2008-2013 (MTSIP), adopted at the 21st session of its Governing Council in April 2007, addresses the urban challenges of the early twenty-first century. This background paper identifies and briefly discuses the common urban challenges facing most countries in the world. It further discusses the urban challenges facing individual regions of the world. Finally, the ways in which the MTSIP addresses these challenges are briefly explained.

Global Urban Challenges

Most countries have urbanized significantly since the 1950s and are projected to continue this process through the middle of the 21st century – the percentage of the world's population living in urban areas has, in fact, just passed the 50 per cent mark. In developing countries, this increasing share of total population living in cities is similar to the historic patterns of Europe and North America, with increasing urbanization accompanying rising levels of GDP. The key differences lie in the faster pace of urban growth in developing countries in this period and the higher absolute levels of urban population. The latter is reflected both in the concentration of people living in mega-cities (urban agglomerations over 10 million residents) and the increasing numbers of medium-sized cities up to 3 million.

Rapid urban and slum population growth

The global urban population is projected to increase from 2.9 billion in 2001 to about 4.9 billion in 2030. In percentage terms (i.e. urbanization level), the world's urban population will increase from 48 per cent of the total world population in 2001 to about 60 per cent of the total world's population in 2030. This means that every year during this period, the world's urban population will increase by about 70 million people, which is equivalent to the creation of seven new megacities annually. In fact, almost all of the word's total population increase during the period 2001-2030 will take place in urban areas, with rural areas being just about static.

It is estimated that, in the absence of serious remedial action, about half of the urban population increase between 2001 and 2030, i.e. 1 billion people, will take place in urban slums – slightly more than the 924 million people estimated to be living in slums in 2001.[1] In percentage terms, and if no serious action is taken to address the growing slum challenge, it is estimated that the slum population will increase from 32 per cent of the world's total urban population in 2001 to about 41 per cent in 2030.

Rapidly increasing demand for housing, basic infrastructure and services

A 2005 estimate, which took into account the existing global slum population (which is a rough indicator of global shelter need) and the projected 2 billion or so additional urban population, placed the number of

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1   **UN-HABITAT (2003), The** *Challenge of Slums: Global Report on Human Settlements 2003***, Earthscan, London.**

people in need of housing, basic infrastructure and urban services by 2030 at 2.825 billion.[2] In considering this number, its precision is not really very important. What is critical, however, is its order of magnitude. Close to 3 billion people, or about 40 per cent of the world's population by 2030 will need new housing as well as basic urban infrastructure and services. Assuming an average household size of 5 people, 565 million new housing units will be needed. If this number is broken down on an annual basis for the period 2003 to 2030, 22.6 million housing units per year will be required. This estimate means that 61,918 housing units per day or 2,580 per hour will need to be built.

The ability of cities to respond to these demands with adequate financial investment will be constrained by the fact that the changes described above will take place within the overall context of increasing urban poverty in many developing countries. While there are no specific global estimates of urban poverty at this stage, it is generally clear that the locus of poverty is rapidly shifting from rural to urban areas, a process that is now characterized as the 'urbanization of poverty'. The absolute numbers of poor and undernourished in urban areas are increasing, as is the share of urban areas in overall poverty.

Impacts of climate change on cities

A further constraint will be the additional demands on towns and cities imposed by climate change. The Intergovernmental Panel on Climate Change (IPCC) expects climate change to affect urban populations through rising sea levels, increased hazard from tropical cyclones, flooding, landslides, heat and cold waves, as well as challenges of urban water quality and storage.[3]

Cities located along the world's coastlines have come under increasing threat from extreme weather events. Between the 1950s and 1990s, there was a 50 per cent increase in extreme weather events associated with global warming. Twenty-one of the 33 cities which are projected to have a population of 8 million or more by 2015 are located in vulnerable coastal zones and are increasingly vulnerable to sea-level rise.

Around 40 per cent of the world's population lives less than 100 kilometres from the coast, within reach of severe coastal storms. Recent research shows that 13 per cent of the world's urban population lives in low elevation coastal zones, defined as less than 10 meters above sea level.[4] In effect, close to 100 million people around the world live less than one metre above sea level. If sea levels rise by just one metre, many large coastal cities such as Buenos Aires, Los Angeles, Rio de Janeiro, New York, Mumbai, Dhaka, Osaka, Tokyo, Lagos, Alexandria, Shanghai and Cairo will come under threat.

In cities of developing countries, informal settlements occupied by the poor are often built in high-risk areas such as steep hill slopes, deep gullies and flood-prone areas that are particularly susceptible to extreme weather conditions associated with climate change. This is further compounded by the makeshift construction materials that are unable to withstand the effects of extreme weather conditions. Urgent and decisive steps are therefore required, all over the world, including at the city level, to mitigate the impacts of and adapt to climate change.

2   UN-HABITAT (2005), Financing Urban Shelter: Global Report on Human Settlements 2005, Earthscan, London, p.5.
3   Romero Lankao, P. (2008), 'Cities and Climate Change: Review of Current Issues and Trends', draft report prepared for the Global Report on Human Settlements 2011.
4   Romero Lankao, P. (2008), ibid., p.52.

Cities and the world energy and food crises

The geographical, or spatial, expansion of cities is one of the most visible dimensions of rapid urbanization at present, especially in developing countries. This process has generally been called 'urban sprawl', or 'metropolitanization', or, in East Asia, 'desakota'. By increasing distances across cities, urban sprawl increases demand for transportation (for both people and goods), potentially fostering unsustainable patterns of energy consumption. Inefficient energy use in other areas such as industry and domestic consumption also contributes to the global energy problem and to rising greenhouse gas emissions. It is now clear that the current rising demand for fuel has led to increased production of bio-fuels from food crops such as corn, in the process partly contributing to rising world food prices. Given the linkages between the current global food crisis and energy consumption, urban planning needs to address the challenges of unsustainable energy consumption in cities, principally through transport and land-use planning policies.

Urban Challenges in Different World Regions

While the above are globally shared urban challenges, individual regions and countries have their own set of characteristics determining their patterns of urban growth and specific urban development challenges. These are briefly examined below.

Urban challenges in developing countries

Looking at global trends more closely, about 90 per cent of the new demand resulting from rapid urbanization between now and 2030 will occur in 48 countries, with most of it being in East and South Asia. Within the developing regions of Sub-Saharan Africa, Asia, the Middle-east and North Africa, as well as Latin America and the Caribbean as a whole, the major urban challenges are, and will continue to be:

- how to address the urbanization of poverty and increasing inequality (especially in Latin America);
- how to deliver urban land at scale in order to meet increasing demand for housing (especially in Africa and Asia), linked to networks of public infrastructure and recognising the need to mitigate the impacts of and adapt to climate change;
- how to address the phenomenon of urban informality, in terms of land delivery, housing and livelihoods;
- how to address rapid and chaotic peri-urbanization and the emerging phenomenon of extended urban corridors;
- how to meet the needs of the youth, who constitute the majority of the urban population; and
- how to address the shortage of skills in the human settlements or built environment sector.[5]

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5   Attahi, K. (2008), 'Revisiting urban planning in Sub-Saharan Francophone Africa', draft regional study prepared for the Global Report on Human Settlements 2009; Irazábal, C., C-Y Wong, A. Farol and J. Noah (2008), 'The status of urban planning and planning practice in Latin America and the Caribbean', draft regional study prepared for the Global Report on Human Settlements 2009; Okpala, D.O. (2008), 'Regional overview of the status of urban planning and planning practice in Anglophone (Sub-Saharan) African countries', draft regional study prepared for the Global Report on Human Settlements 2009; Yuen, B (2008), 'Revisiting urban planning in East Asia, South-east Asia and the Pacific', regional study prepared for the Global Report on Human Settlements 2009.

Urban challenges in transition countries

In contrast to the developing countries, the transition economies face different challenges in urban development. Previous public patterns of provision of housing and infrastructure have been disrupted by the political and economic changes following the collapse of the Soviet Union. These systems had provided a minimum quality of housing and infrastructure in most countries. Whether cities in these countries will become productive motors for their new reformed economies remains to be seen. The major challenges for the coming years in transition economies will be:

- how to address the problems resulting from slow (or even negative) population growth and ageing, including shrinking cities and deteriorating buildings and infrastructure;
- how to address problems of urban sprawl and preservation of inner-city heritage buildings arising from the growing demand for housing and facilities by an emerging wealthy class and from international investors;
- how to address severe environmental pollution from the socialist era industries and, more recently, from the rapid growth of vehicle ownership; and
- how to strengthen local authorities to whom many responsibilities have been transferred but without the necessary financial resources.[6]

Urban challenges in developed countries

Cities in developed countries have occupied an increasingly important place in their respective national economies. In recent decades, their economies have become knowledge-based and shifted towards financial services, which have tended to be located in large cities. How well the cities do, or will continue to do, with these functions depends on the reliability of their infrastructure and the quality of urban life as factors in attracting new investment. More recently, the sub-prime mortgage lending crisis and collapse of a number of major investment banks in the USA and the UK has not only affected large numbers of home owners, shareholders and savings, but has also introduced a new and acute level of uncertainty that is bound to affect urban employment and economic prosperity in general. In the foreseeable future, the major urban challenges in developed countries will include:

- how to resolve the very recent mortgage and housing markets crisis;
- how to address increasing socio-spatial inequalities and urban fragmentation resulting from globalization and competitive city investment policies, as well as from the changing structure of labour markets that has left many urban residents unemployed and impoverished;
- how to reduce the large ecological footprints of cities caused by car-dependence, huge waste production and urban sprawl;
- how to mitigate the effects of and adapt to climate change; and
- how to resolve the problems associated with slow population growth, ageing and shrinking of cities.[7]

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6 Hirt, S. and K. Stanilov (2008), 'Revisiting urban planning in the transitional countries', regional study prepared for the Global Report on Human Settlements 2009.

7 Garau, P. (2008), 'Urban planning trends in the North', draft regional study prepared for the Global Report on Human Settlements 2009.

Conclusion

While present day cities are both the cause and result of many socio-economic and environmental problems, the major ones of which are highlighted above, it is also clear that they are and have always been the repository of knowledge and innovation. Throughout history, cities have been closely linked to the advancement of civilization in all world regions. It can be said, without exaggeration, that the history of civilization has been the history of cities. If properly planned and managed, cities are capable of providing solutions to the key urban challenges briefly discussed above. This, in fact, is the starting point, or premise, of the MTSIP.

From the above discussion, the need for global awareness of urbanization issues is clear. More importantly, it is clear that urbanization issues need to be integrated into national development policies and strategies. These are the long-term aims of Focus Area 1 of the MTSIP, "Effective advocacy, monitoring and partnerships", which seeks to promote sustainable urbanization through evidence-based global monitoring and research, policy dialogue, strategic partnerships, global campaigns, education, communication and exchange of best practices.

Addressing all of the urban challenges discussed above will require pro-poor and inclusive urban planning, management and governance policies as well as effective institutions – and these are still weak in many developing countries. It is precisely these issues that Focus Area 2 of the MTSIP, "Promotion of participatory urban planning, management and governance", seeks to address, principally by strengthening the capacity of national governments, local authorities and other stakeholders to develop more liveable, productive and inclusive cities.

In developing countries, slums are the most visible manifestation of urban poverty and of the failure of urban development and housing policies. Addressing the slum challenge will partly entail in-situ upgrading, focusing on improving water and sanitation, as well as improving the supply of adequate but affordable housing for low-income households. To achieve the latter, serious attention has to be paid to increasing the supply of affordable land, especially for the poor. In light of this, Focus Area 3 of the MTSIP, "Promoting pro-poor land and housing", aims at assisting national governments and Habitat Agenda partners to adopt pro-poor, gender and age-sensitive housing, land management and property administration through enabling policies and improved legal and regulatory frameworks.

While addressing the brown agenda challenges of poor water and sanitation in slums and basic urban infrastructure in general, governments and local authorities will also need to deal with the longer term risks arising from climate change. Focus Area 4 of the MTSIP, "Environmentally sound basic urban infrastructure and services" is designed to assist governments, local authorities and Habitat Agenda partners to deal with all of these environmental challenges. As part of this effort, the 2011 issue of UN-HABITAT's Global Report on Human Settlements will focus on the theme of 'Cities and Climate Change', while the 2013 issue will focus on 'Urban Mobility and Transport'.

Finally, addressing all of the current and future urban challenges identified above requires appropriate and robust financing systems. If they are to succeed, such systems must not only be at a much larger scale than before, but must also recognise the progressive, or incremental, nature of house construction among the poor in developing country cities. It is in response to these requirements that Focus Area 5 of the MTSIP, "Strengthened human settlements finance systems", places emphasis on innovative financing mechanisms and improved institutional capacity to leverage the contributions of communities, local authorities and the private sector, as well as of government and international financial institutions.