STATE OF THE WORLD'S CITIES 2008/2009 Harmonious Cities

Case Study

How governments are propelling urban growth

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Crowd of people crossing the street at a busy intersection in Central District, Hong Kong©Christine Gonsalves/iStockphoto

UN-HABITAT analysis of 245 cities that are experiencing the fastest growth in the developing world shows very clearly that spatial influences of macroeconomic and industrial policies and related investments (or economic development), are the main drivers of city growth in 78 per cent of the cities analyzed. Investments in transport infrastructure (roads, ports, airports) were by and large the most important contributor to city growth. Forty per cent of the cities analyzed experienced high growth rates as a direct result of the diversification, expansion or improvement of regional or urban transport infrastructure. The designation of regions or cities as special economic zones contributed to the rapid growth of one-fifth of these cities. The development of information and services-related sectors, such as banking and financial systems, including different forms of trade, was the third most important contributor to city growth, representing 16 per cent of the cities.

In a large number of these cities, economic policies and investments are mostly the result of national government decisions and allocations. The State, in its various institutional forms, exerts a critical influence in the growth of these cities. For instance, decisions to designate cities or regions as free trade areas or special economic zones are made at the central government level; likewise, the mobilization and allocation of huge public (and often private) investments for the construction of transport and communication infrastructure and the improvement of these services is usually a central government responsibility. This suggests that urban growth in many countries is initially driven by national governments, and then further propelled by local authorities and the private sector. In this scenario, central governments quite often determine which cities will benefit from investments and macroeconomic decisions.

National governments in a number of countries, including Thailand, the Philippines, South Korea, Mexico and Brazil, are concentrating more attention and resources on particular city-regions. Others, like Malaysia and China, are using cities to connect the nation to the global space of business flows, while concurrently using such cities to propel social change in particular directions. It is clear that the growth of the fastest cities in the developing world cannot be adequately understood without an examination of the matrices of state territorial organization within and through which it occurs.

This does not mean that local authorities are not playing an important role in economic and urban growth. Local authorities, in conjunction with political and economic local and regional elites, are transforming their cities into dynamic economic areas oriented towards global, regional and local growth sectors. Cities such as Salem, Pimpri, Chinchawad and Pune in India, Guadalajara and Ensenada in Mexico, Maracay in Venezuela, Cuenca in Ecuador and Zambaoanga in the Philippines, to name just a few cities, are all growing at the annual rate of 3 per cent or more by adopting pro-growth strategies through place marketing and promotion, focusing on high-potential economic sectors. Major urban centres in South Africa have also adopted different forms of economic development strategies as part of integrated development plans, which were implemented through local economic development units. As a consequence of this, economic growth in these cities was higher than population growth by slightly more than 1 percentage point over the 1996-2001 period.

New entrants in the league of cities

Between 1990 and 2000, urbanization in developing regions was characterized by the entry of new cities that did not exist as such in 1990. This constellation of 694 new cities started out as rural towns and became urban areas by virtue of changes in their administrative status, natural growth or in-migration.

These significant changes took place mostly in Asia, where more than 295 settlements became small cities, followed by 171 new small cities in Latin America and the Caribbean. More than 90 per cent of the cities in which populations grew from fewer than 100,000 to more than 1 million people were also in Asia, owing to a variety of factors, including changes in administrative and legal boundaries and changes in political status of settlements.

Among the cities that emerged after 1990, 73 per cent joined the category of small cities, 19 per cent became intermediate cities and 7.5 per cent developed into big cities.

Not only did the number of cities increase, but many of the cities that existed in 1990 also became larger: 122 small cities (13 per cent) became intermediate or big cities; 66 intermediate cities (23 per cent) became big or large cities; and 10 big cities (5 per cent) developed into large cities. On the other hand, 17 cities contracted, changing from big to intermediate or from intermediate to small.

These changes are not only a matter of numbers – they also represent a qualitative change in what the world perceives to be "small", "intermediate" and "large" in terms of city size over time. The emergence of "hyper-large" or "meta-city" urban agglomerations with more than 20 million inhabitants has led to a fundamental shift in conceptions of city size.

NUMBER AND TOTAL POPULATION OF NEW CITIES ESTABLISHED SINCE 1990

	New small cities		New intermediate cities		New big cities		Total	
	Number	Population	Number	Population	Number	Population	Number	Population
Africa	44	6,335,094	1	523,265	0	0	45	6,858,359
Latin America & Caribbean	171	27,138,867	6	3,930,127	2	3,008,885	179	34,077,879
Asia	295	60,825,858	125	86,595,611	50	65,491,865	470	212,913,334
excluding China & India	72	13,374,321	5	3,109,207	0	0	77	16,483,528
China	78	26,331,991	119	82,966,103	49	64,485,448	246	173,783,542
India	145	21,119,546	1	520,301	1	1,006,417	147	22,646,264
TOTAL	510	94,299,819	132	91,049,003	52	68,500,750	694	253,849,572