Executive summary

Cities are home to around half of the global population. Yet, definitions of what a city or a rural area is vary widely by country. Such differences hinder robust international comparisons and prevent accurate monitoring of the United Nation's Sustainable Development Goals (SDGs), as both are highly sensitive to the definitions of those areas. This report addresses this void and provides novel evidence on urbanisation throughout the world, using for the first time the definitions endorsed at the 2020 Statistical Commission of the United Nations.

The population living in cities, high-density places of at least 50 000 inhabitants, has more than doubled over the last 40 years, going from 1.5 billion inhabitants in 1975 to 3.5 billion in 2015. It is projected to reach 5 billion and almost 55% of the world population by 2050. According to the degree of urbanisation, which classifies the entire territory into three categories - cities, towns & semi-dense areas, and rural areas - almost half the world's population (48%) live in cities, a quarter live in rural areas (24%) and the remainder live in towns & semi-dense areas (28%). By defining three types of areas, the Degree of Urbanisation captures the continuum between cities and rural areas and provides a more nuanced perspective than the traditional urban-rural dichotomy.

The report additionally uses a definition of metropolitan areas (aka functional urban areas), which consider cities together with their surrounding commuting zones to capture the full extent of a city's labour market. Metropolitan areas account for 54% of total world population, with commuting zones representing 17% of the overall metropolitan population, a share that rises to 31% in high-income countries

In using these two global definitions, this report presents a new perspective on urbanisation: it assesses quality of life along the urban-rural continuum; it examines the links between economic development and metropolitan areas; it describes the demographic growth (and decline) of metropolitan areas; and it shows how cities are both expanding and densifying, and how this affects sustainable development. Finally, the report demonstrates that towns & semi-dense areas have distinct socio-economic properties, falling between those of a city and a rural area in numerous ways.

Cities offer, on average, a higher quality of life

- Overall, residents in cities record a higher life satisfaction than people in towns & semi-dense areas or rural areas. Several well-being dimensions seem to drive a higher quality of life in cities. City residents benefit from higher incomes, greater employment opportunities, larger service provision and better access to modern technology. Similarly, educational attainment is considerably higher in cities than in rural areas, with towns & semi-dense areas falling in between. These differences are most striking in Latin America, Southeast Asia and Sub-Saharan Africa, where the shares of individuals with at least 8 years of education are more than 20 percentage points higher in cities.
- While cities offer better conditions in many dimensions of life, there are notable exceptions. City residents are more exposed to crime, violence and air pollution than residents elsewhere.

Furthermore, health problems such as blood pressure, asthma and diabetes are most pervasive in cities.

Economic development and the rise of metropolitan areas go hand in hand

- More developed countries have larger shares of people living in metropolitan areas, especially in the largest metropolitan areas. The population share living in metropolitan areas above 1 million is roughly four times higher in high-income (47%) than in low-income countries (12%). In advanced economies, urbanisation was historically linked to a structural shift from agriculture to manufacturing. More recently, urbanisation in these countries has typically occurred in tandem with a transition to the service sector. While Asia mainly urbanised through the traditional process of industrialisation, in many less advanced countries in Africa, Latin America and the Middle East, urbanisation has taken a different path, often backed by large natural resource rents.
- Higher levels of economic development not only correspond to larger metropolitan areas, but also to a different distribution of the metropolitan population within countries. In middle-income countries, a few large metro areas concentrate a high share of the metropolitan population. In contrast, the metropolitan population is more spread out across space in high-income countries. These patterns seem to be connected to the evolution of regional economic disparities, which are highest in middle-income countries.

Globally, large metropolitan areas grow fastest while many mid-sized ones shrink

- The global population is increasingly concentrated in large metropolitan areas. Metropolitan areas with more than 5 million inhabitants in 1990 experienced the fastest population growth, outpacing metropolitan areas with less than 1 million inhabitants by one percentage point per year. Since 1990, the number of metropolitan areas with more than 5 million inhabitants has also doubled and, in this context, 10 new “megacities” (metropolitan areas with more than 10 million inhabitants) have emerged, primarily in Asia and Sub-Saharan Africa.
- Population growth has not been limited to large metropolitan areas, however. In the developing world, many towns have grown rapidly in a context of national population growth, and breached the 50 000 inhabitant threshold, thereby becoming cities. As a result, around 4 000 new metropolitan areas emerged between 1975 and 2015. This trend was particularly strong in low-income countries, where half of metropolitan areas that existed in 2015 had been towns in 1990.
- Notwithstanding a widespread growth of metropolitan areas, globally, the population of one-fifth of metropolitan areas has been shrinking since 2000. Projections suggest that by 2050 the population of 30% of metropolitan areas will be shrinking. Most of the currently shrinking metropolitan areas are located in East Asia and Europe where the national population is growing slowly or shrinking. Metropolitan areas with less than a million inhabitants in East Asia and Europe are the most vulnerable to population loss, with over one-third of them already declining since 2000. City decline raises new challenges as policy makers need to ensure that public services such as education or health remain accessible to residents in a situation of structurally decreasing budgets.

The changing shape of cities affects sustainable development

- The rapid population growth of cities over the past 40 years occurred through different channels. Overall, the densification of existing cities accounted for the majority of population growth, followed by spatial expansion. As a result, most cities have become denser over time. Within metropolitan

areas, however, population growth has typically been faster in commuting zones than in the city itself, which can create planning challenges especially if that development is spatially dispersed.

- Virtually all metropolitan areas in low-income countries lack sufficient infrastructure and buildings. Moreover, in one out of four of these metropolitan areas, the construction of infrastructure and buildings fails to keep up with population growth, exacerbating already high levels of crowding and congestion. Most metropolitan areas in high-income countries, in contrast, have high levels of infrastructure, which in a context of population decline can easily turn into more than sufficient infrastructure. Furthermore, construction outpaces population growth in half of these metropolitan areas; in the case of low-density spatial expansion of larger metropolitan areas, this is likely to lead to high infrastructure costs. More generally, to promote public transport and to reduce pollution and congestion, some cities will need to expand their public transport networks, while others need to increase population densities, especially around public transport stops.
- Many city dwellers are exposed to high levels of air pollution, resulting in a considerable number of premature deaths each year and also higher COVID-19 mortality rates. Many cities are also highly exposed to floods and storm surges, with one in five city residents living in an area that would be submerged in a big flood and one in seven exposed to storm surges. Climate change is likely to increase the size and frequency of floods and storm surges. As a result, the material damage and the loss of life in cities due to floods and storms will balloon if no action is taken. A key challenge for cities in the next decades will be how to reduce air pollution, limit exposure to natural hazards and transition to a low-carbon economy.