

Introduction: **The century of urbanisation**

The century of urbanisation

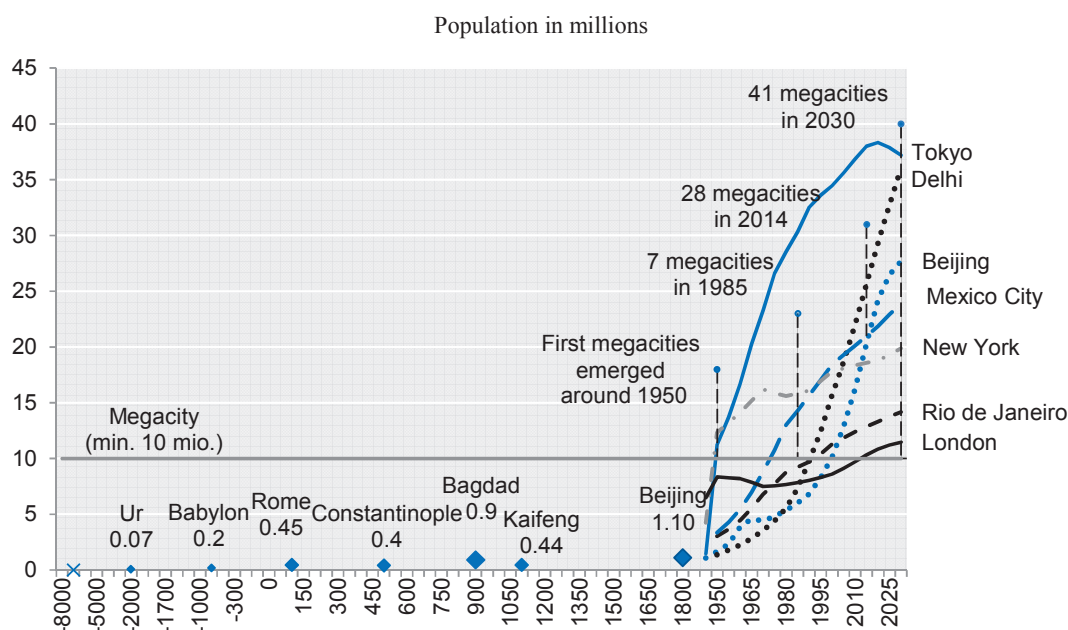
By the end of the 21st century, most of the urbanisation on our planet is likely to be completed. On current projections, the world population is set to expand roughly up to 2100. This growth will be driven largely by increases in urban population, from less than 1 billion to roughly 6 billion between 1950 and 2050. Over 100 years, the share of urban dwellers will have increased from 30% to 66% of the world population.¹ By 2100, the share of the urban population is projected to reach around 9 billion, corresponding to close to 85% of the population (UN DESA, 2013). This period of rapid urbanisation will also have experienced the rise of the megacity (Figure 0.1), which is defined as a metropolitan area with a total population in excess of 10 million people. In 1950, New York and Tokyo were the only megacities, but by 2014 their number had increased to 28 – with metropolitan areas such as Tokyo, Delhi, Shanghai, Mexico City or São Paulo having populations in excess of 20 million inhabitants each. Many OECD countries are already highly urbanised and have stable or declining populations, so the largest share of the current wave of urbanisation is taking place in developing and emerging non-OECD economies, in particular in Asia. It is projected that by 2030, when the number of megacities will have increased to 41, 7 of the world's top ten megacities will be in Asia.²

Cities and national economies

Cities in both urban and non-urban regions are key contributors to national socio-economic and environmental performance. For example, across OECD countries, metropolitan areas (defined as urban agglomerations with more than 500 000 inhabitants) cover only 4% of the land, but account for roughly half of the population and close to 55% of gross domestic product (GDP). An even higher share of the population, roughly two-thirds, lives in urban agglomerations with more than 50 000 inhabitants. Asian OECD countries are particularly urbanised, with roughly 80% of the population living in urban agglomerations and around 70% of the population living in metropolitan areas. Similarly, in Latin America, urbanisation levels are at around 80%.

All across the globe, cities are motors of growth. Metropolitan areas and dynamic medium-sized cities have enormous potential for job creation, innovation and green growth, and are the hubs and gateways in global trade and transport networks. Throughout the OECD, productivity and wages increase with city size. Given high productivity levels and their sheer size, large cities have been making large contributions to national growth, reaching a maximum of above 70% in certain countries. In most OECD countries, the contribution to economic growth of metropolitan areas during 2000-10 was well above their initial population share.³

Figure 0.1. The rise of the megacity



Source: Kaminker, C. (2014), “The role of long term investors in green infrastructure finance”, presentation given at “The Geography of Urban Infrastructure”, Association of American Geographers’ Annual Meeting, Tampa, Florida, April 2014, unpublished, based on data from Chandler, T. (1987), *Four Thousand Years of Urban Growth: An Historical Census*, Edwin Mellen Press, and UN DESA (2014), *World Urbanisation Prospects: The 2014 Revision*, United Nations, Department of Economic and Social Affairs, Population Division, <http://esa.un.org/unpd/wup/CD-ROM/Default.aspx>.

The importance of getting cities right

The projected increase in urban population implies that the way our cities are planned and run will not only have huge economic and social implications but will also be of crucial importance for achieving environmental sustainability. In this sense, the current wave of urbanisation – that is likely to be the last great wave on this planet – is both a risk and an opportunity. Urban form lasts, hence urban policy decisions, which rapidly urbanising countries have been, and will be, making over the next decades, will shape their societies and economies for a very long time. Moreover, given the environmental and possibly also social consequences of many of these choices, getting cities right is not only of vital importance for city residents and the countries where the cities develop, but for all of humanity.

Notes

1. See OECD (2012) for details.
2. See UN DESA (2014) for details.
3. See OECD (2013) for detailed statistics.

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