2 Living in an urban world

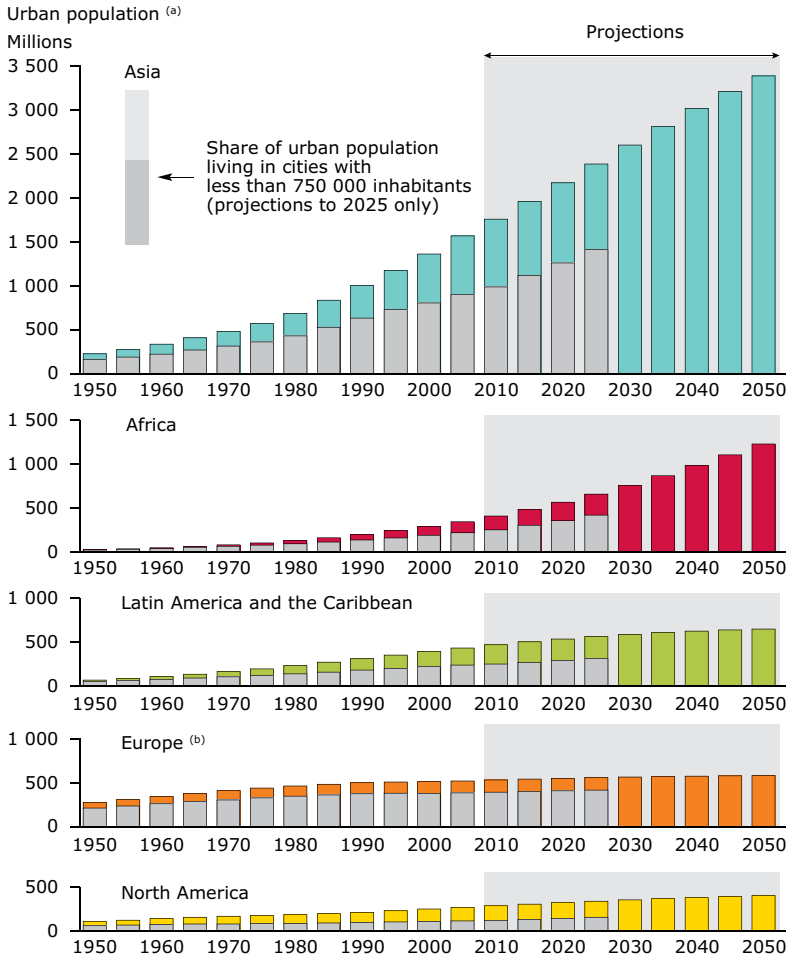
An increasingly urban world will probably mean spiralling consumption and greater affluence for many. But it also means greater poverty for the urban underprivileged. Poor urban living conditions and associated environmental and health risks could impact all areas of the world, including Europe.

For the first time in history more than 50 % of the world's population live in urban areas. By 2050, about 70 % of people are likely to be city dwellers, compared with less than 30 % in 1950 (UN Population Division, 2010).

Demographers estimate that Asia will be home to more than 50 % of the global urban population by 2050, while Europe's urban population as a percentage of the global total is likely to have shrunk considerably. Although many emerging and developing economies may not have reached the same level of urbanisation as today's developed countries by 2050, the speed and scope of the urban transition in the developed world is far greater today than it was just half a century ago (UN Population Division, 2010). Cities are also reaching unprecedented sizes and the rising number of megacities across the globe, putting enormous strain on their natural resource support systems. But the even faster growth in small- and medium-sized cities could be more important from an environmental perspective.

Cities concentrate investment and employment opportunities, promoting economic growth and increasing productivity. They provide higher-income jobs, as well as greater access to goods, services and facilities, bringing improved health, literacy and quality of life. These conditions tempt rural residents to search for a better life and higher income in urban areas. People in the countryside tend to have lower average incomes and more conservative spending habits (EEA, 2010b).

Figure 2.1 Urban population trends

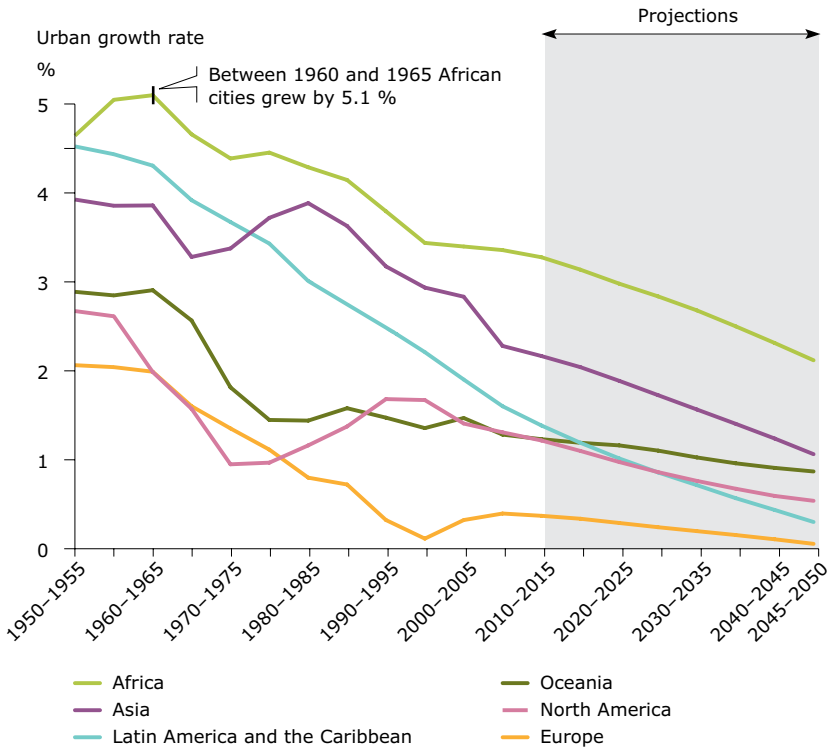


(a) The definiton of 'urban area' varies from one country to the next.

(b) Albania, Andorra, Austria, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Channel Islands, Croatia, Czech Republic, Denmark, Estonia, Faroe Islands, Finland, France, Germany, Gibraltar, Greece, Holy See, Hungary, Iceland, Ireland, Isle of Man, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, Montenegro, the Netherlands, Norway, Poland, Portugal, the former Yugoslav Republic of Macedonia, Moldova, Romania, Russia, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Ukraine, the United Kingdom.
Urban areas of Oceania — not included here for legibility reasons — are projected to reach 38 million people by 2050 (currently 25 million).

Source: UN Population Division, 2010.

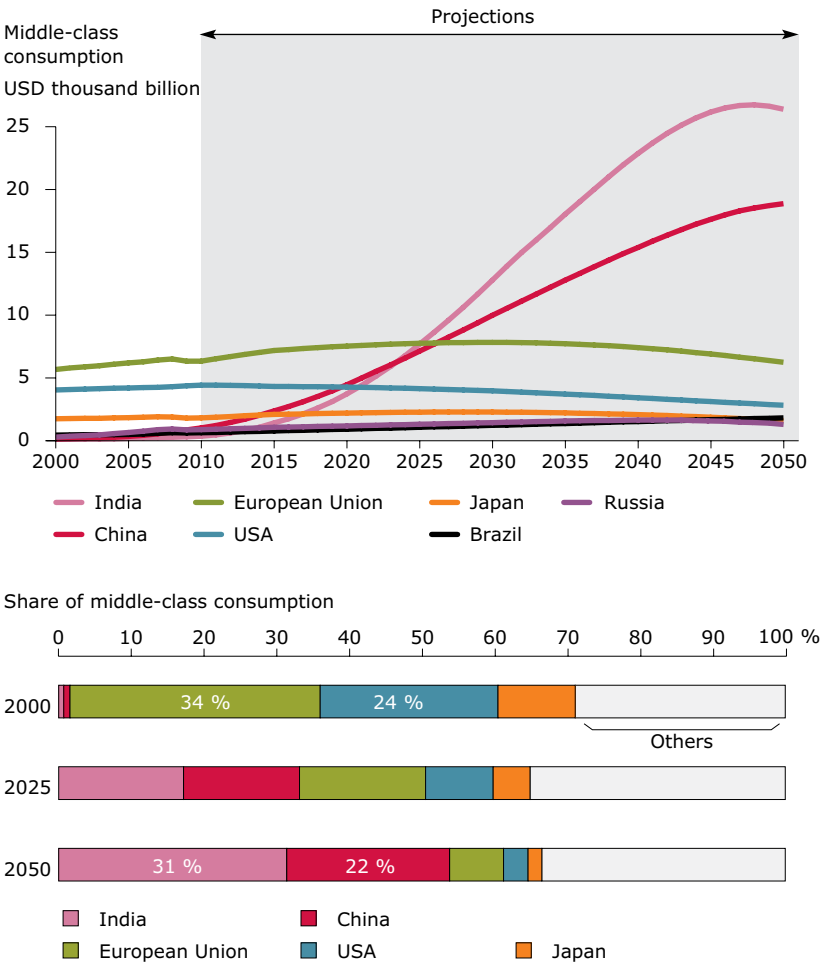
Figure 2.2 Slowing urban growth



Note: 5-year steps.

Source: UN Population Division, 2010.

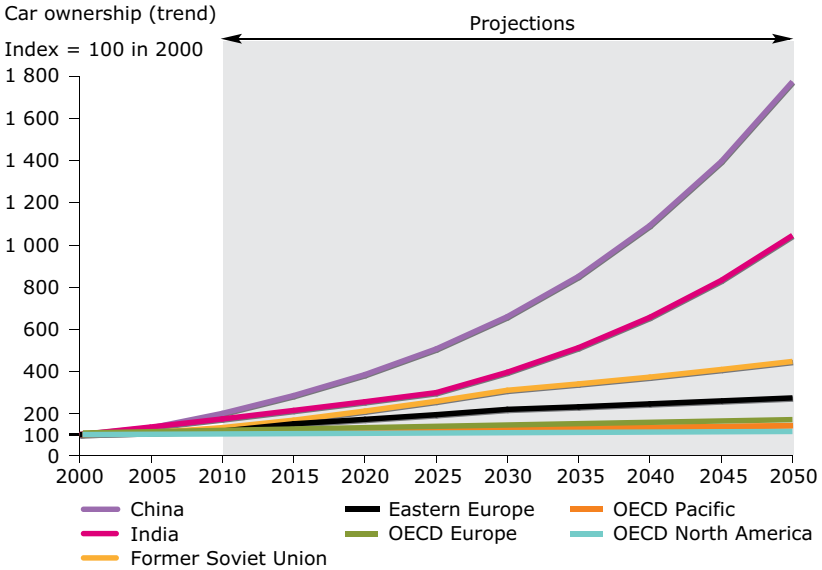
Figure 2.3 Changing consumer spendings of the middle class

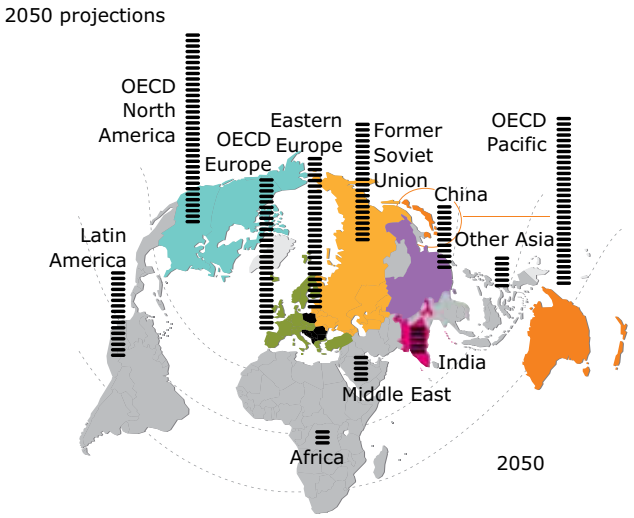


Note: In this study 'middle class' is defined as households with per capita daily spending of between USD 10 and 100 purchasing power parity (PPP).

Source: Kharas, 2010.

Figure 2.4 Projected car ownership





Note: Although car ownership is projected to grow at much higher rates in China and India than in the rest of the world, the number of cars per 1 000 people is projected to stay below that of more advanced economies.

Source: WBCSD, 2004a.

Regional urbanisation levels vary and are very likely to continue doing so. Asia, particularly India and China, is expected to see the bulk of global urban growth and become the dominant world consumer market in the future, followed by countries such as Brazil, Mexico, Russia, South Africa and Turkey. More and more people are now entering the middle class ([4]), increasing average incomes and spending power (Kharas, 2010) (Figure 2.3). According to one estimate the middle class population of South and East Asia, which accounted for about 2.1 % of global income in 2000, could account for more than 7 % by 2030 (World Bank, 2007).

The focus of spending in many emerging economies continues to change from basic to optional goods (Accenture, 2009). By 2025 China is likely to overtake the USA to become the world's biggest consumer market, with India as the third largest and Russia the fourth. These markets will define their own brands, fashions and cultures, increasingly affecting global market developments and trends (NIC, 2008).

Contrastingly, other parts of Asia are struggling to catch up or are even falling behind in terms of overall welfare increases. The processes of urbanisation and changing consumption are also accelerating in other parts of the world but are seldom seen to match the dynamism of the Asian giants.

Urban development offers unique chances for improved quality of life and environmental protection if governed effectively. The concentrated form and efficiencies of scale in cities offer major opportunities to reduce energy demand and minimise pressures on surrounding lands and natural resources. However, urbanisation also threatens the environment by contributing to two contrasting trends: increasing poverty and affluence (Worldwatch Institute, 2008).

In many emerging economies, urban poverty is on the rise. Informal settlements house more than a billion city dwellers already. While the majority of the population suffering severe deprivation still lives in rural areas, there is now a large and growing proportion in urban areas, although official statistics may greatly underestimate the true

([4]) Defined in this study as households with per capita daily spending of between USD 10 and 100 purchasing power parity (PPP).

numbers (Satterthwaite, 2007). Poor planning of housing development often leads to vast settlements at high risk of unhealthy air and water pollution levels, and poorly connected to basic services.

At the same time, economic growth has increased the affluence of a broad section of the urban middle-income population. Globally, urban households are becoming smaller but more energy intensive. Lifestyles increasingly reflect energy- and resource-intensive consumption patterns that produce growing amounts of waste. Expanding transport demands and poor public transport planning encourage car ownership. In the absence of major policy changes, motorised personal vehicle ownership rates are expected to increase significantly (WBCSD, 2004a) (Figure 2.4). One assessment foresees annual sales of highway vehicles in China of 42–59 million by 2050, which is about 10 times the level today (Wang et al., 2006).

Box 2.1 Why is urbanisation important for Europe?

In emerging economies, rapidly increasing numbers of people will demand access to standards of living that have largely been limited to high-income countries. Consequently, demand for international goods and services will grow, along with pressure for policies that support market integration.

How urban areas, particularly in south-east Asia, are built and governed will have strong impacts on global emissions of greenhouse gases and resource demands. Once built, it is difficult and slow to change cities and the individual behaviour adapted to these structures. In many places in the developing world, cities currently run the risk of locking in energy- and resource-intensive models of urban development for decades ahead.

A particular challenge for urban planners in developing countries is the fact that they tend to face multiple environmental problems earlier in the development process (i.e. at lower income levels) than was the case for European countries, for example. Europe can help address these challenges by providing useful expertise and low-carbon and resource-efficient technologies.

Large urban agglomerations (and rural areas) in regions with weak governance structures are vulnerable to social and political unrest, particularly when they are characterised by poor infrastructure and resource supply, and exposed to increased impacts of global environmental change. North Africa and the Middle East have experienced the highest rate of population growth in the world over the past century and could therefore be at risk (UN Population Division, 2010).

In a highly interconnected world, the effects of changes in urbanisation and related consumption patterns on Europe will be mostly indirect. They will include, for example, the possibility of changing European land-use patterns induced by tougher resource competition. If urban slum development continues, the risks of diseases developing and spreading (for example through tourism) may expose Europe to new known and unknown diseases (WHO, 2008b).

Key drivers and uncertainties

Rural-urban migration is driven by several factors: high fertility rates in many rural areas, for example, and limited employment opportunities, particularly from the marginalisation of small farmers. Urban areas offer better jobs and education opportunities. Urban growth is also driven by, among other things, the geographic concentration of investment, including foreign direct investment, and outsourcing from western economies.

A key uncertainty relates to the development of regional fertility rates. If decline does not continue as assumed, urban population growth may strongly exceed current projections. Policy developments, particularly on social welfare and health care, are a key uncertainty and are largely shaped by the prospects for economic growth. The development of domestic consumption also depends on several factors, such as how far economies will integrate economically, the impact of population ageing, and the capacity for strengthening private investment and education.

3 Disease burdens and the risk of new pandemics

The risk of exposure to new, emerging and re-emerging diseases, to accidents and new pandemics, grows with increasing mobility of people and goods, climate change and poverty. Vulnerable Europeans could be severely affected.

The disease burden in developed and developing countries differs markedly. Malnutrition and infectious diseases are dominant in the developing world, while obesity and many non-infectious diseases (cardiovascular and neuro-degenerative diseases, diabetes, respiratory diseases, cancer and mental health) predominate in the developed world (WHO, 2006). As countries develop, infectious diseases generally become a less significant part of overall ill health and are replaced by non-infectious diseases (Figure 3.1) often associated with lifestyle, consumption and ageing, and driven by increasing obesity and inactivity (WHO, 2009a).

Changes in working, living and travel habits, as well as climate change, alter the disease burden both between and within countries (Arguin et al., 2009). Migration inside and between countries is likewise increasing (Map 3.1). These migrations increase the opportunity for diseases to spread rapidly between populations and may result in the re-introduction of infectious diseases to areas where they had been eradicated (or significantly reduced). They may also hasten the spread of pandemics. For example, tuberculosis has re-emerged and is becoming more common in some developed countries where it had been reduced to extreme lows. This increased incidence has been linked to migrants from areas of high health inequality (WHO, 2009b).