

# Urban Planning

Imaginetchina



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# Labo



**Asia's cities will house about 2.2 billion by 2020.  
Can the region's economic growth continue  
without a sustainable plan for its megacities?**

**T**hese are heady days for Asia's emerging economies. While the United States, Europe, and, closer to home, Japan, wobble from the global economic crisis, Asian tigers led by the People's Republic of China (PRC), India, and Indonesia hum along, posting impressive growth figures. It is no wonder that the world has turned to Asia to lead the turnaround from the global recession.

While economic growth continues for now, serious questions about whether this prosperity can last in the long term are emerging. In particular, there is mounting concern over whether Asia can sustain economic development given its myriad of challenges, chief among them the growing trend of urbanization.

By 2020, more than 2.2 billion Asians will live in urban areas. Already, 6 of the world's 10 largest "megacities"—defined as having a population of more than 10 million—and 8 out of 10 of the world's most densely populated cities are in Asia.

These sobering statistics are a wake-up call for the region: without sustainable urbanization, economic growth could be in jeopardy. As urban population growth continues, housing, power and water supply, public transportation, jobs, and numerous other demands will not somehow magically expand at the same pace. National and city governments should already be thinking ahead—10, 20, even 30 years, according to urban planning experts.

**KISSTHE SKY**

Computer rendering of Shanghai shows the planned Shanghai Tower along with the Shanghai World Financial Center and the Jinmao Tower, currently two of the world's 10 tallest skyscrapers.

oratory



**RAPID GROWTH** Megacities are expanding across the region, from Karachi to Bangkok (in photo), Greater Jakarta to Metro Manila, and the Pearl River Delta in the People's Republic of China.

“The sheer numbers in Asia are overwhelming,” says Florian Steinberg, senior urban development specialist with the Southeast Asia Department of the Asian Development Bank (ADB) in Manila.

Even so, he says Asia’s urbanization growth rate still lags behind other regions, such as Latin America. In 1990, the percentage of Asians and Africans living in urban areas was less than 35%, while today in Asia, it is still only 42%, according to some estimates.

“It’s a concern,” Mr. Steinberg says. “There’s a view that urbanization is negative, but others feel there is a need for more urbanization. Sustainable urbanization will be essential for growth and to advance the economies. India, for example, needs much more urbanization to perform economically at the rate that it wants to perform.”

### Urbanization as a Driver of Development

Torsten Kleiss, an urban development expert and senior consultant for Holcim, the international cement supplier, says, “Urbanization is something good. It’s a driver and result of economic and social development. Look at America and Europe. Development took place with urbanization that started around 100 years ago.”

Megacities are expanding across the region, from Karachi to Bangkok, Greater Jakarta to Metro Manila, and the PRC’s Pearl River Delta. More than 53% of Chinese, 63% of Indonesians, and 72% of Filipinos will be living in urban areas by 2020, says the United Nations Human Settlements Programme (UN-

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HABITAT). While Kuala Lumpur is not a megacity, 72% of Malaysians will be living in urban areas by 2010 and nearly 80% by 2020.

Dinesh Mehta, professor emeritus at the Centre for Environmental Planning and Technology University (CEPT) in Ahmedabad, India, says overall Asia’s “tipping point”—50% urbanization, collectively—will occur in 2023. He says the region’s urbanization rate is higher today because it is being driven by massive growth in the PRC, which

has nearly 45% of its population living in urban areas.

“Urbanization is an effect of economic growth, not a cause of it,” Mr. Mehta says. “Lagging urbanization in some sense is a reflection of the poor capacity of cities to absorb economic growth.

“That is true of Indian cities. Infrastructure services are much lower than the level of economic activities would demand,” he says. “It [economic growth] will take place in cities that have infrastructure. That is why there is massive growth in the PRC, because of the infrastructure.”

Cities in the PRC, however, are proving to be the exception in the region. While population growth rates are slowing globally, urban population growth rates are higher than those in rural areas. As a result, Emiel Wegelin, program coordinator of the Cities Development Initiative for Asia (CDIA), says urban governments have been unable to keep pace with the growing demand for services. The CDIA is a multi-donor project to help cities prepare infrastructure projects to attract private investment.

“This thing is not coincidental,” Mr. Wegelin explains. “This happens because it is a special articulation of an economic transformation that is going on—a shift



**MASSIVE TASK** High-rise residential buildings stand behind an expanse of slums in Mumbai, India. As the population of Asia's cities surge, countries in the region are struggling to build the infrastructure needed to support them.

from agricultural and rural pursuits to industrial production and services industry. It explains migration. Cities are a more attractive place to find employment, regardless of all the problems.”

### Hundreds of Billions of Dollars Needed

And those problems read like a laundry list. Annual infrastructure investment needs have been estimated in the hundreds of billions of dollars. Industry leaders in Asian cities complain that they need more roads, ports, container facilities, and power to increase production and help drive growth. Large Asian cities are trying to cope with this demand, as well as find solutions to increased water use and traffic jams due to inadequate public transportation systems. In Jakarta, the state-run electricity provider was forced to ration power throughout November 2009 because mechanical problems with some power generators reduced supply.

“Infrastructure investment needs for urban areas have been estimated in the hundreds of billions of dollars per year,” Mr. Steinberg says. “There are no governments in Asia that can actually cope with those needs. The majority of investments will have to come from the private sector

or through public-private partnership arrangements.”

Governments in Asia are coming around to the notion of urbanization as inevitable; nonetheless, fears persist about whether local administrations have the capacity to deal with increasing demands for services, land, and infrastructure.

“The structures in place aren’t designed to deal with these issues at all,” Mr. Wegelin says. “Take an extreme case like Metro Manila. We have 17 city governments and 16 municipalities. Local governments either don’t talk to each other or fight with one another.”

Notes Matthew Westfall, director of urban services of ADB’s Central and West Asia Department, “Because urban centers play such a major role in the economy, you have to get them right first.”

### Making Deals

In Pakistan’s main urban centers, Karachi and Lahore, local governments are looking at mass rapid transit systems to deal with growing traffic problems. The proposed system in Lahore will be a multibillion dollar large-scale mass transit system with as many as five separate lines.

Lahore, like other Asian cities, is inviting private investors to help foot the bill

and provide quality work. In Indonesia, the central government is embracing public-private partnerships to build infrastructure, such as roads, reservoirs, and power plants, as well as to operate them and to deliver electricity to cities. Some local governments in Indonesia, enjoying the benefits of regional autonomy, are signing their own deals with companies in the private sector.

“For sure, governments are having a harder time trying to meet their infrastructure deficits and put their infrastructure needs in order,” Mr. Westfall says. “When you have... just a government agency building infrastructure, and not managing it and guaranteeing it’s working down the road, you find you have a problem.”

He says the massive floods in Metro Manila in late September that forced the evacuation of hundreds of thousands of people were the result of “many decades of neglect coming to the fore.”

### Growing Asian Slums

Analysts also warn that megacities can no longer afford to ignore their urban populations, in particular, the reality of prevailing urban poverty. While the levels and conditions of urban poor vary from place to place, confidence is low that Asian cities

will meet all or, in some cases, most of their Millennium Development Goals by 2015.

“You can say that while many of the Asian countries are good performers in the overall economy, the prevalence of poverty is a big, big concern,” Mr. Steinberg says. “We are still seeing the struggle of the labor force to position itself in the labor markets and [get] benefits for itself. As long as governments don’t recognize the instability that is associated with the prevalence of poverty, development is at risk.”

Mr. Mehta from CEPT says, “Cities are attracting people, but not everybody is able to move out of poverty. So we see more slums in cities of Asia than before.”

According to UN-HABITAT, 47% of Pakistanis, 41% of Vietnamese, and 32.8% of Chinese lived in urban slums in 2005. And it’s not just affecting urban dwellers that are officially classified as poor. In India, the average annual growth rate in urban areas between 1981 and 2001 was 2.9%; but between 1983 and 2004, the urban poor population grew by only 0.6% a year, says Banashree Banerjee, a private urban development consultant in New Delhi.

“But these statistics hide a lot,” she says. “Sixty percent of the population of Mumbai is living in slums. Officially, only 15% are the really poor. You can imagine how difficult it is. The land prices are very high. Even for the middle class, it’s difficult to find anything that’s not in the slums.”

### Going Beyond Government

Still, grim realities on the ground have failed to demoralize urban communities and the activists who try to represent them. Civil society is increasingly expressing its views, and the interests of urban dwellers, on how development should proceed. In particular, local nongovernment organizations (NGOs) have taken up causes ranging from protecting the rights of pedicab drivers in Jakarta to demanding access to clean drinking water for Bangkok slums.

“What you see very much in many countries, like Thailand, India, and the Philippines, for example, is the recognition of the role of organizations,” says Claudio Acioly, Jr. of UN-HABITAT.

“Because of the size and urgency and ability of governments to really have the capacity to respond, there has been a recognition that NGOs come on board as a partner,” he says, “or even replace the state.”

However, Mr. Acioly says NGOs in Asia play more of an operational role in urban development rather than being part



**BUILDING BOOM** Motorists ride past residential buildings under construction in Ho Chi Minh City, Viet Nam.

of the decision-making process. He also says community-based or even individual participation in planning initiatives by Asian governments is lacking, in contrast to Latin America, where the practice is common.

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“In Brazil, there are different cities practicing different modalities [of participatory budgeting]. But in more and more cities, residents get together and have a say in how budgets are spent,” Mr. Acioly says. “We don’t see this model working much in Asian cities, mainly because of the different political processes going on.”

He says urban communities in Asia would do well to organize themselves and directly approach governments with their views on urban planning, given that NGOs may not always share the same agenda.

“The true representatives are the community-based groups,” he says.

### Going Green by Necessity

Looking ahead, Asian cities face some tough important decisions. Expanding populations will require greater services, but limited land, natural disasters, environmental issues, and climate change will call for more creative solutions, according to analysts.

“In Ho Chi Minh City, half the city is less than 1 meter above sea level, which means that in the next 100 years from now it will be flooded,” says Kosta Mathey, a professor at the Vietnamese–German University there. “Technical and preventive measures, like emergency plans, will have to be there.”

Planning cannot be just about preparing for doomsday, however. Mr. Mathey says cities have more opportunities, thanks to technological advances, to design more energy-efficient buildings and housing, grow food in urban areas, and deploy more fuel-efficient and environment-friendly public transportation.

“Energy-efficient’ means to both produce more energy and use less energy,” he explains. “You can shade the façade, have more ventilation. You can also reduce energy consumption by either reducing transportation to work or in transporting [goods].”

In Indonesia, PT Perusahaan Listrik Negara, the state-run electricity provider, says with electricity demand growing by 9.2% per year, Indonesia will need to add 16,183 megawatts by 2010 to curb power shortages and meet increased demand. As a result, the company says it may have to increase rates by up to 30% to finance the planned expansion.

“This means that energy efficiency is an absolute no-brainer,” says Alex Buechi, manager of sustainable construction for Holcim’s operations in Jakarta. “Buildings are the biggest contributor to CO<sub>2</sub> emissions globally, bigger than traffic.”

In Jakarta, Holcim is promoting a European-derived radiation-cooling technology that can keep concrete in warm climates radiating at 23 degrees Celsius. Mr. Buechi says the technology can reduce the energy required to cool buildings and homes by 75%, and is currently being used worldwide, including in the PRC, Egypt, and India.

According to urban planning experts, the path emerging Asian nations take in urban development will need to use all these factors: private sector financing, community support, technological advances, political will, and more if Asia is to leverage its booming urban populations into prosperous participants in the global economy.

And as the last year has shown, the world economy needs a prosperous, healthy Asia. ●