

urban growth rate of about 2.7 percent per year is nearly 27 percent greater than the global average

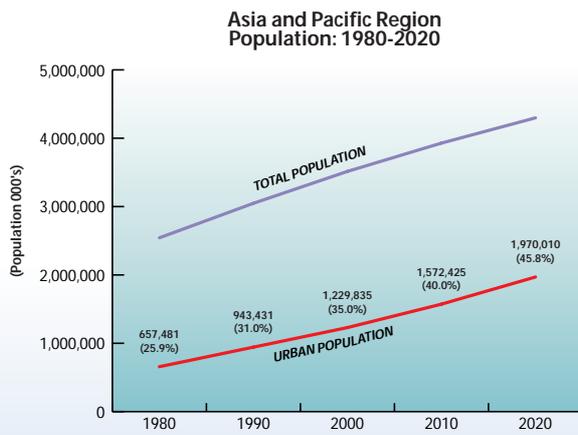
The urban population in the Asia and Pacific region is expected to be 1,970 million, or 46 percent of its projected total of 4,298 million, by 2020. By 2025 the majority of the region's population will live in urban areas. Urban areas today account for 35 percent of the total population of 3,515 million. On average, municipalities secure about US\$153 per capita in revenue per year. In recent years, the Asia and the Pacific region has been known for extremely high rates of industrialization, linked to increased international and regional trade. An average urban growth rate of about 2.7 percent per year is nearly 27 percent greater than the global average (2.11 percent), and the absolute number of urban residents is nearly triple that in the highly industrialized countries. Both China (2.47) and India (2.84) are close to the regional average rate of urban growth in the past five years. Southeastern Asia has the highest urban growth in the region at 3.57 percent, followed by Southcentral Asia at 2.97 percent. Eastern Asia and Oceania have the lowest urban growth rates at 2.02 percent 1.21 percent, respectively.

problem requires different ways of managing cities and their related infrastructure and service requirements. Recently, macro-economic and financial crises have cast doubt on conventional concepts and approaches. Countries that had achieved well-functioning cities in a steady process of improvement over a period of twenty to thirty years have seen the collapse of urban functions in the wake of the financial crises of the 1990's.

The economic contraction affected the lives of millions, aggravating social vulnerabilities. It has had many dimensions - falling incomes, rising absolute poverty and malnutrition, declining public services, threats to educational and health status, increased pressure on women, and increased crime and violence. In East and Southeast Asia, the social consequences of the financial crisis continue to linger in spite of recent indications of recovery. Its impact has been felt more in cities, reflected in increased poverty brought about by cutbacks in both public and private employment as well as in public expenditures for health and education.

Yet, many cities have been able to achieve significant success, which can be built upon, scaled up and replicated. The increased pace of urbanization and its linkages to economic globalization have reinvigorated interest in the process of governance and its links to economic growth.

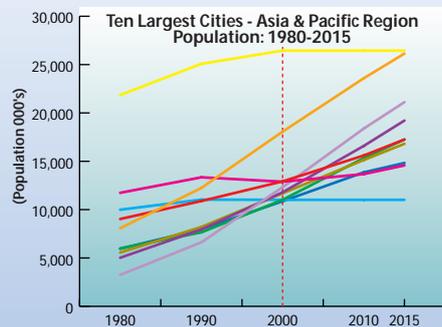
In Asia and the Pacific, decentralization and local autonomy are gaining more momentum and, with this, the interest in building the capacity of local governments is growing. While several Asian countries have adopted decentralization policies, excessive controls are still exercised by higher levels of government on the functional, financial and administrative responsibilities of local government. As a result, there is a mismatch between the functional powers of local governments and the financial resources available to them.



Source: UN, World Urbanization Prospects, 1999

Amidst this aggregate increase, urban growth in several Asian countries was, at times, negative. These countries, where national population policies have often been applied ruthlessly, include Sri Lanka (1975-1985), Cambodia (1970-1975), East Timor (the last 40 years), Vietnam (1990-1995) and the Maldives (1990-1995).

Urbanization in Asia and the Pacific raises red flags, particularly because an increasing number of poor is living in urban areas. The size and urgency of the



- Metro Manila - Philippines
- Osaka - Japan
- Jakarta - Indonesia
- Delhi - India
- Karachi - Pakistan
- Dhaka - Bangladesh
- Shanghai - China
- Calcutta - India
- Bombay - India
- Tokyo - Japan

Source: UN, World Urbanization Prospects, 1999