

HIGHLIGHTS

Cities in the World

A new perspective on urbanisation



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The Centre helps local, regional and national governments unleash the potential of entrepreneurs and small and medium-sized enterprises, promote inclusive and sustainable regions and cities, boost local job creation and implement sound tourism policies.

About this booklet

This booklet contains highlights from the *Cities in the World – A new perspective on urbanisation* report, which applies consistent definitions of metropolitan areas, cities, towns and semi-dense areas, and rural areas across the world. The report is a joint work of the OECD and the European Commission, Directorate-General for Regional and Urban Policy. It examines the growth of metropolitan areas over the past 40 years, analyses the link between economic development and countries' urban systems, assesses and quantifies differences in quality of life across the degree of urbanisation, and documents the changing shape of cities over the past four decades.

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Cities in the World

A new perspective on urbanisation

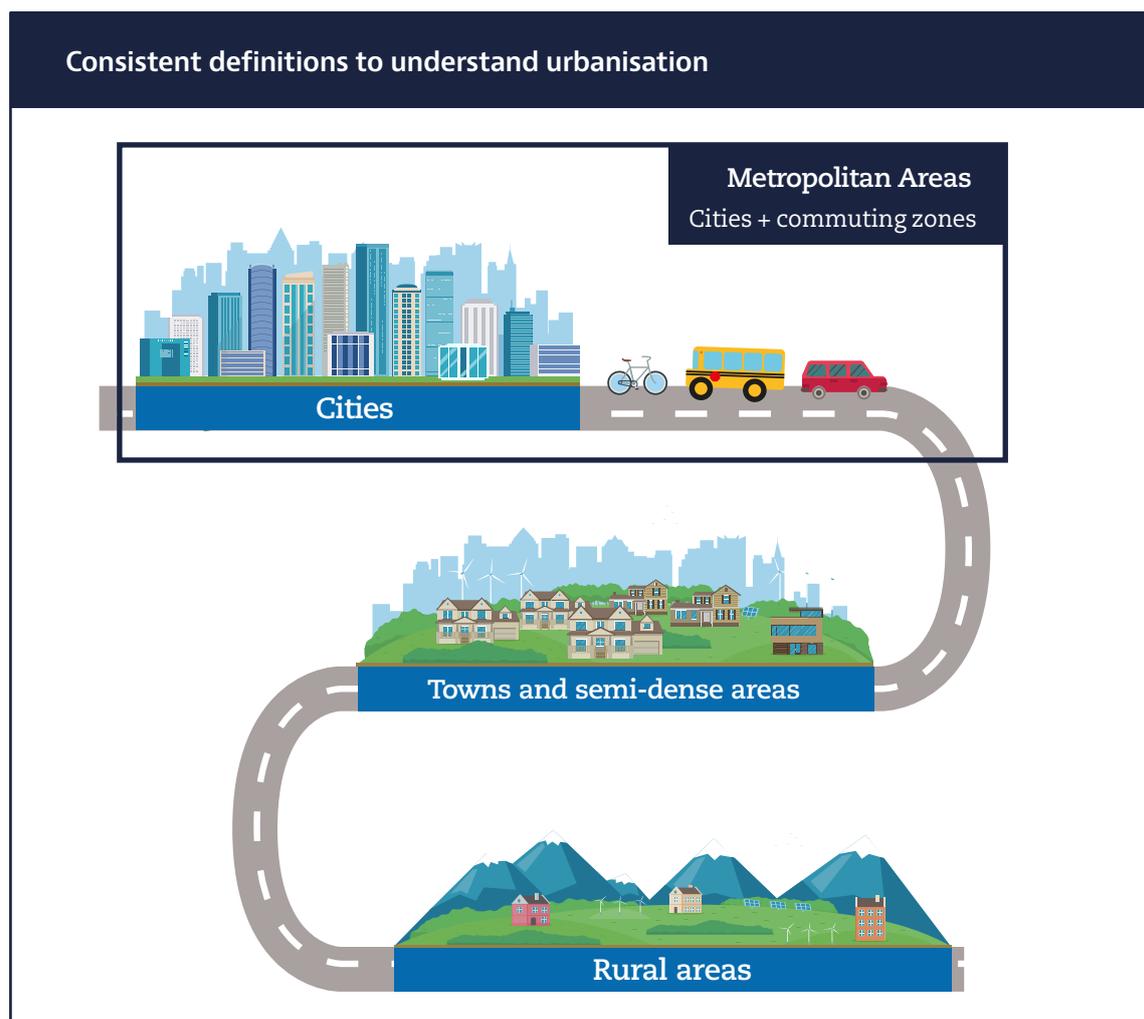
Harmonised definitions shed new light on urbanisation

Despite their economic, political, and demographic importance, there is no global consensus on what defines cities. The absence of a harmonised global definition of cities and rural areas has impeded international comparability and inhibited effective policy. For instance, pursuing and achieving the UN Sustainable Development Goals (SDGs) requires not only suitable indicators, but also a clear and consistent definition of cities and rural areas.

This report proposes two new concepts for broadly defining cities and their immediate surrounding areas: the **Degree of Urbanisation** and the **Functional Urban Area**. Through the analysis of these two concepts, the report provides a globally

consistent, people-based definition of cities, metropolitan, urban and rural areas. Furthermore, the analysis in this report illustrates how these definitions can help examine and monitor SDGs globally.

The Degree of Urbanisation reflects the urban-rural continuum and proposes three classes instead of only the dichotomy urban or rural. The three classes are: **1) cities** (or densely populated areas); **2) towns and semi-dense areas** (or intermediate density areas), and; **3) rural areas** (or thinly populated areas). **Functional Urban Areas** extend beyond cities, including cities' commuting zones. By considering commuting flows, the Functional Urban Area takes into account the economic reality of a city. Thus, it better reflects the full extent of its labour market and other functional linkages. In this report, functional areas are referred to as metropolitan areas.





Almost half of the world lives in cities

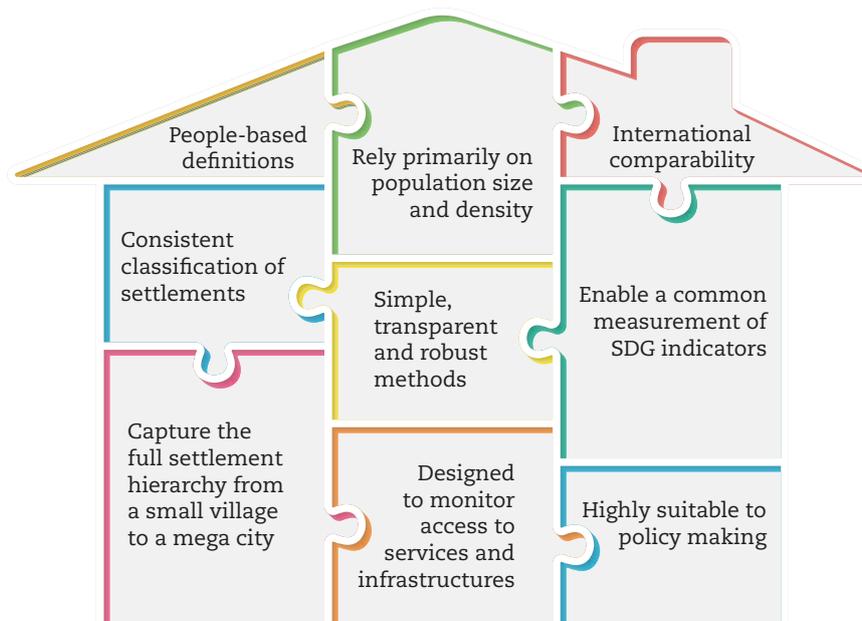
The population living in cities, high density places of at least 50,000 inhabitants, has more than doubled over the last 40 years, going from 1.5 billion in 1975 to 3.5 billion in 2015. Almost half the world's population (48%) lives in cities, a quarter live in rural areas (24%), and the remaining people live in towns & semi-dense areas (28%).

While the proportion of city dwellers has consistently grown, it remains lowest in low-income countries. In these countries, the population share of rural areas is still highest, representing 28% of the population, but it is shrinking faster than elsewhere. Globally, urbanisation is spreading. Towns are increasingly growing into cities and suburbs are being absorbed by expanding cities.

Population by degree of urbanisation, 2015



Advantages of a harmonised definition of urbanisation



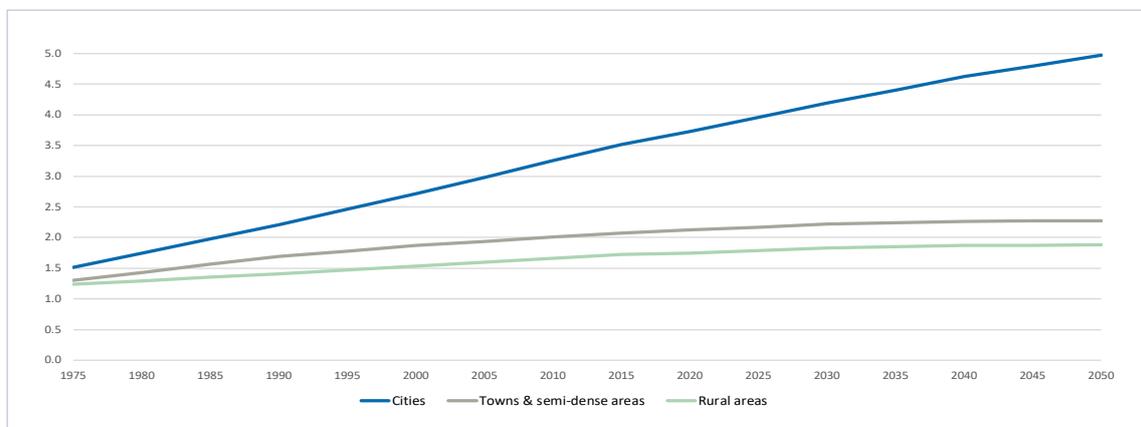


What does the future hold for city and rural populations?

Until 2050, city populations are projected to keep rapidly growing, from 3.5 billion in 2015 to 5 billion in 2050, which corresponds to an

increase of over 40%. Even though the share of the global population in towns and rural areas is set to fall, absolute population of both rural areas and towns and semi-dense areas is projected to grow by around 10% in 2015-50, given total global population growth.

Population in billion by type of area, 1975-2050



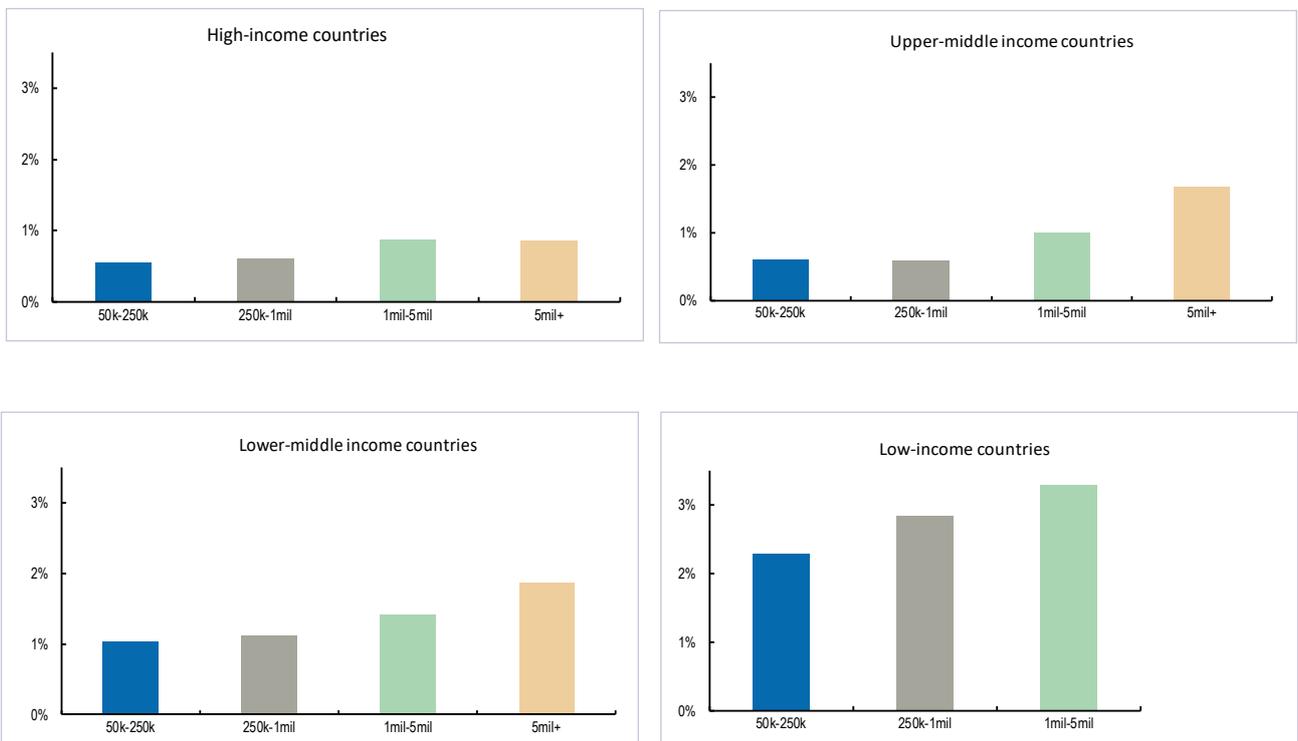
2. Large metropolitan areas grow fastest while many small and mid-sized ones shrink

Globally, population growth is increasingly concentrated in large metropolitan areas. Metropolitan areas with over one million inhabitants grew half a percentage point faster per year than smaller ones. They alone have grown by more than 400 million since 2000. The largest metropolitan areas, with more than five

million inhabitants, grew the fastest in terms of population, and also doubled in number over the past 25 years. This rapid growth of the largest metropolitan areas creates important policy challenges in terms of public transport, affordable housing, and public service provision.

Large metropolitan areas grow fastest across all countries

Annual population growth rates of metropolitan areas by size and income group, 2000-2015



What is a high-income country?

According to the World Bank, low-income economies are defined as those with a GNI per capita of \$1,025 or less in 2018; lower middle-income economies with a GNI per capita between \$1,026 and \$3,995; upper middle-income economies with a GNI per capita between \$3,996 and \$12,375; high-income economies with a GNI per capita of \$12,376 or more.





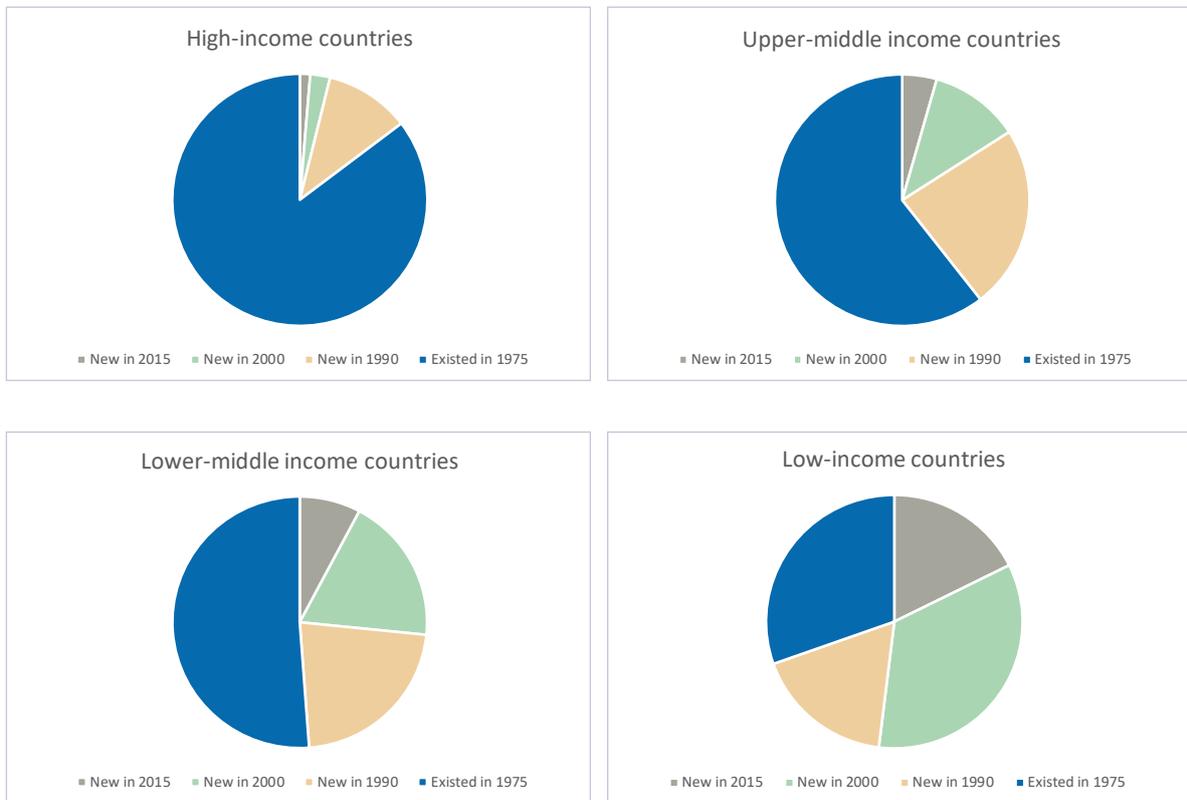
Rapid population growth means new metropolitan areas in Africa and South Asia

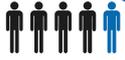
Urban growth has not been limited to large metropolitan areas. In the developing world, rapid population growth has also caused precipitous growth in towns, transforming many of them into cities and metropolitan areas. Around 4,000

new metropolitan areas emerged between 1975 and 2015, now accounting for one third of all metropolitan areas in the world. More than half of metropolitan areas in low-income countries, primarily in sub-Saharan Africa, were towns with a population below 50,000 inhabitants in 1990. In contrast, the majority of metropolitan areas in high-income countries such as the OECD and EU already existed prior to 1975.

In less developed countries, half of metropolitan areas have emerged since 1975

Shares of metropolitan areas by when they emerged (i.e. included a city of at least 50 000)





Regional inequalities peak in middle income countries

Countries' metropolitan structure matters for regional economic inequality. In the most developed countries, the metropolitan population is less concentrated in a few metropolitan areas. As regions with a more metropolitan population tend to be richer, a more balanced distribution of metropolitan population lowers regional inequality:

- Regional income disparities are greater in middle-income countries than in the poorest and the richest countries.

- In middle-income countries, GDP per capita in the most metropolitan regions is twice that of the least metropolitan regions.*
- Larger net migration towards metropolitan regions contributes to regional economic growth which partially explains regional income gaps within countries.
- The difference in human capital between the most and least metropolitan regions is particularly high in countries outside the OECD and EU, raising regional disparities in those countries.

**The most and least metropolitan regions refer to those regions in a country that have the highest and lowest share of population living in metropolitan areas, respectively.*





More access to infrastructure and technology in densely populated areas

Where a resident lives has a strong impact on their access to public infrastructure and modern technology. Unsurprisingly, public transport and access to roads and highways increase with the degree of urbanisation. This trend extends to modern technologies - across all income groups, internet access follows a clear gradient, with residents in more densely populated areas enjoying markedly better internet access.

Globally, the share of residents in cities with regular internet access is almost 50% above that of rural residents. Similarly, recent use of the internet (SDG 17.8.1) also ranges from 74% in cities and 67% in towns & semi-dense areas to 56% in rural areas. Disparities by degree of urbanisation in low-income countries also exist with respect to mobile phones (SDG 5.b.1). Only around half of rural residents in low-income countries own a mobile phone compared to more than 60% of residents in towns and semi-dense areas and more than 70% of residents in cities.

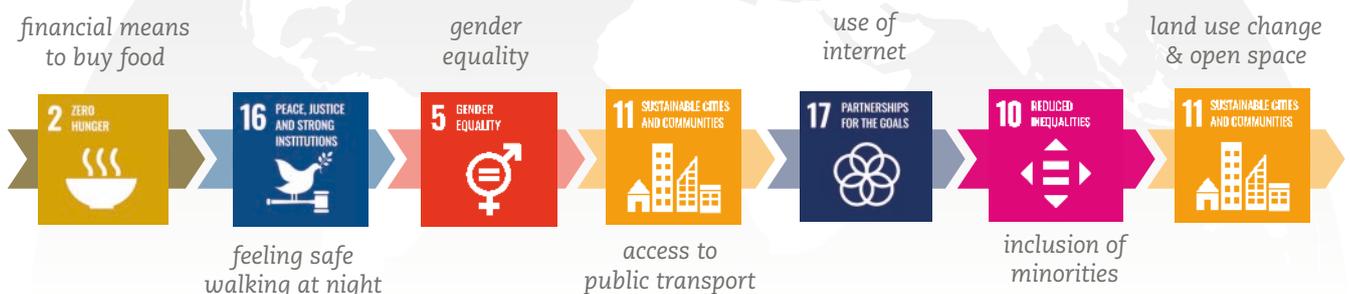
In the developing world, cities are better off, but fertility rates strain public resources

In developing countries, the provision of utilities such as drinking water or electricity is consistently better in cities than in rural areas or towns and semi-dense areas. While most health outcomes are also better in cities, rural areas have narrowed the gap over the past 15 years.

Educational attainment also follows a clear urban gradient: it is best in cities, followed by towns and semi-dense areas, and lowest in rural areas. These differences are most striking in Sub-Saharan Africa, Latin America and the Caribbean, and in Southeast Asia, where the proportion of people with at least eight years of education is more than 20 percentage points higher in cities than rural areas.

High fertility rates remain a policy challenge in the developing world, especially as rural fertility rates are 50% higher than in cities. Even though fertility rates have fallen, they remain very high in all types of areas in Sub-Saharan Africa, ranging from 4 (in cities) to 5 (in towns & semi-dense areas) and 6 children per woman (in rural areas). If fertility rates continue to only slowly decline, population growth in Sub-Saharan Africa will drive the growth of megacities and the proliferation of small and medium-sized cities, with the related need for large infrastructure investments putting public resources in those cities under strain.

Monitoring SGDs across the degree of urbanisation and metropolitan areas



5 ■ The shape of cities is changing

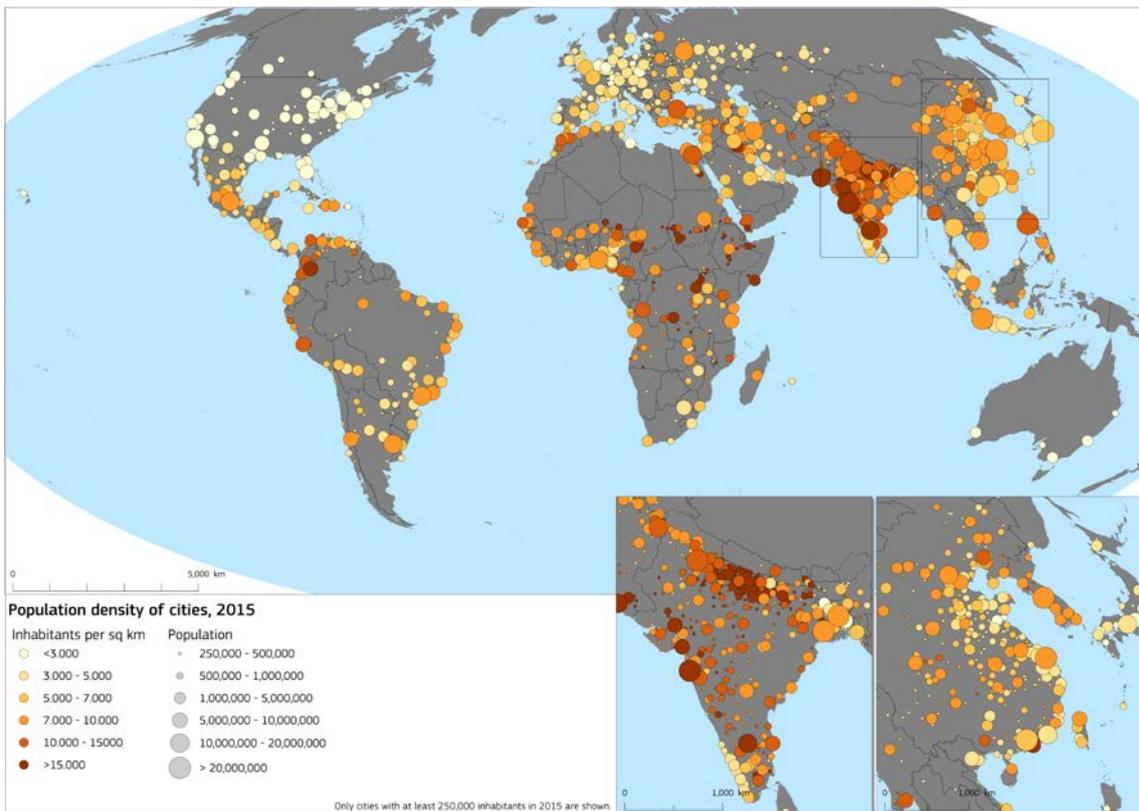
Cities in high-income countries are less dense

Cities everywhere are dense, but not all are equally so. In general, the higher the income of a country, the lower the densities of its cities. Cities in low-income countries have the highest densities, close to 10,000 inhabitants per km², compared to 7,200 in lower middle-income countries, 5,300 in upper middle-income and only 2,800 in high-income countries. Cities in low-income countries are almost four times denser than the cities in high-income countries.

The larger a city, the denser it is. This density gradient is clearly visible in high and upper middle-income countries and to a lesser degree in lower middle-income countries. In low-income countries, however, this gradient is absent: cities of all sizes are very dense. Globally, cities have continuously become denser over the past 40 years. The increasing density of large and very large cities (of more than 1 million inhabitants) mainly accounts for global increases in population density.

Cities are denser at lower development levels

Population density of cities, 2015





Densification accounts for more than two thirds of city growth

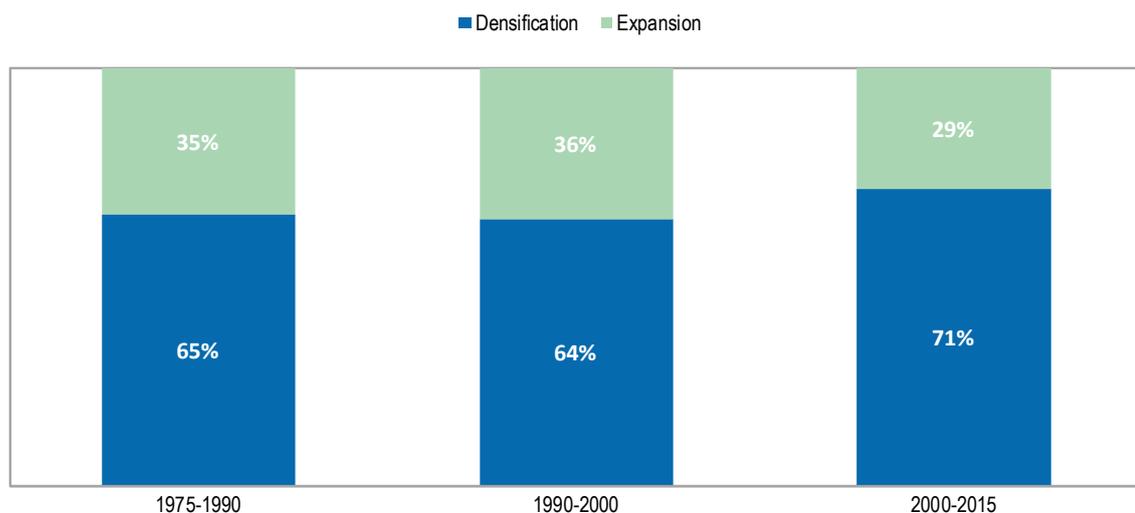
Cities are growing and expanding. Cities' population can grow in different ways: through densification within old city borders or through expansion by adding the population in incorporated nearby areas.

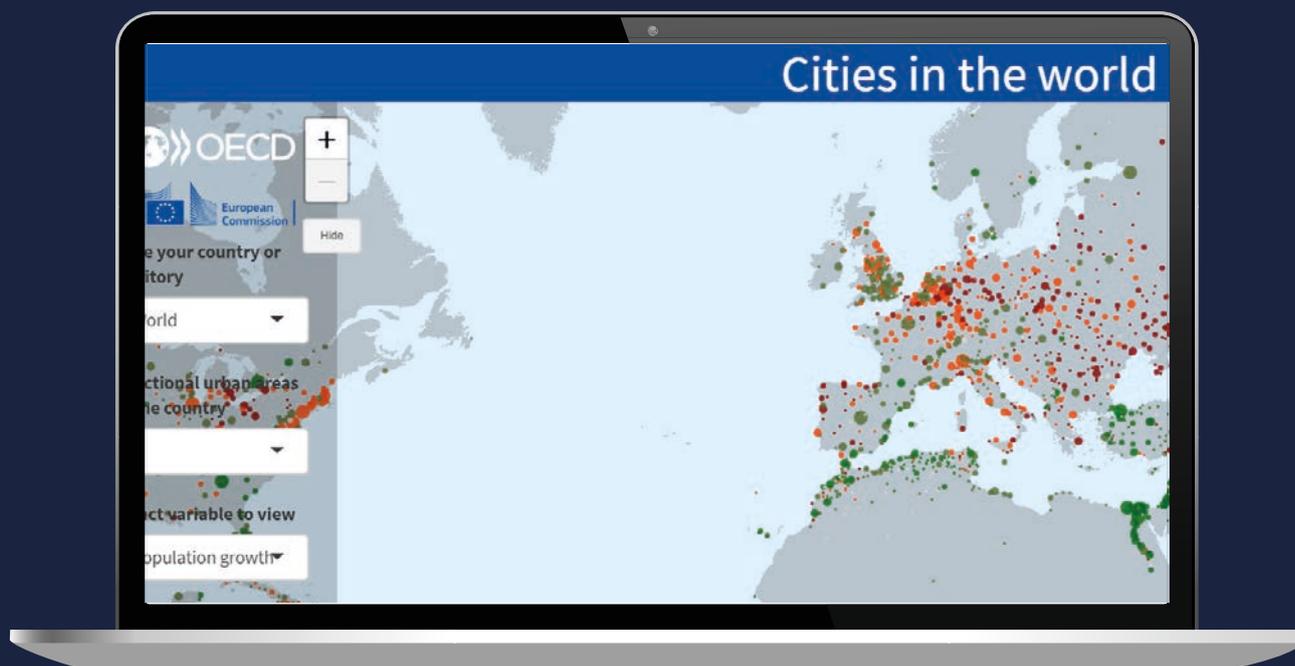
On average, 65-70% of population growth of cities since 1975 occurred through densification. This pattern has become stronger over time. In 1975-90, 65% of city population growth happened within cities' old boundaries, increasing to 71% between 2000-15. The form of city growth differs by region and by city size. For example, in small, medium and large cities in North America, most growth occurs outside the old city boundaries, in areas such as suburbs and smaller settlements that densified and became part of the city.

Pollution, natural hazards and climate change pose risks for cities around the world

Cities concentrate people, infrastructure and economic activities, but this concentration also comes with risks. People living in cities suffer from higher air pollution and are more exposed to storms and floods. Climate change and the growth of cities exacerbates this exposure. One in five people living in cities, or 613 million people, are exposed to a large flood but this exposure is heavily concentrated in few cities, mainly in Asia. While 70% of cities are not affected, 6% (630 cities) risk being entirely flooded. Compared to towns & semi-dense areas and rural areas, cities are also more vulnerable to sea-level rise. In 2015, 14% of city dwellers were living in a low elevation coastal zone compared to 11% of the population in towns and semi-dense areas and 6% of the rural population. Since 1990, this risk has been shrinking in towns & semi-dense areas and rural areas while it has been growing in cities with the fastest population growth occurring in the most exposed areas.

Decomposing average annual population growth in cities, 1975-2015





Visit our web tool

www.worldcitiestool.org

More information on the Degree of Urbanisation, including national factsheets, interactive maps, methodology, tools and data:

<https://ghsl.jrc.ec.europa.eu/degurba.php>

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