



The **United Nations as One**
for the New Urban Agenda.



IN **HABITAT III**, WE DECIDE THE
FUTURE OF CITIES TOGETHER.

HABITAT III REGIONAL REPORT ON HOUSING AND URBAN DEVELOPMENT FOR THE UNECE REGION

TOWARDS A CITY-FOCUSED, PEOPLE-CENTRED AND INTEGRATED APPROACH TO THE NEW URBAN AGENDA

EXECUTIVE SUMMARY

UN HABITAT
FOR A BETTER URBAN FUTURE



UNECE

TRENDS AND PATTERNS OF URBANIZATION AND DEMOGRAPHY

By 2050, almost three quarters of the world's population will live in urban areas – this will be the Century of the City. The region currently has a large proportion of its population living in cities – from less than 50% in Central Asia to more than 80% in North America. The region's urban population is growing, albeit slowly.

There is a trend towards urban concentration and agglomeration into super-cities, i.e. clusters of thriving cities in close proximity to one another, such as the metropolitan regions from Boston to Washington, or London through the Randstad and the Ruhrgebiet to the cities of Northern Italy.

There is a countervailing trend towards shrinking cities within less successful and more remote regions. These cities are losing population due to outmigration of the young and/or highly qualified. Most of the world's countries that are currently or predicted to experience population shrinkage are located in this region.

There is a general tendency towards urban sprawl, not only in cities experiencing population growth, that poses problems for social dynamics and environmental sustainability through high levels of car dependency, soil sealing, and expenditure for sustaining oversized infrastructure. These problems are likely to be exacerbated by the consequences of ageing in the population.

Ageing will be a major challenge in the coming decades in Western, Central and Eastern Europe and in Russia. Population ageing and population decline pose serious challenges. Diminishing local tax revenues puts pressure on services, transportation, housing, and accessibility to public space. By contrast, Central Asian countries are experiencing growth in the young population, which poses difficulties related to the provision of jobs and housing.



The extent and consequence of migration has increased in the past 20 years. Migrants settle mainly in large cities. This has led to urban polarization, as best-performing cities or neighbourhoods attract population growth, youth and economic activities, leaving other areas in a state of economic stagnation and demographic shrinkage which, in turn, reduces opportunities for positive social interaction and cohesion. Migration boosts social innovation, but also brings challenges for social cohesion. To lower migratory pressure on cities and allow them to plan and manage urbanization processes, vibrant rural areas can play an important role. Equally, there is a continuing need to address the integration of migrants.

THE ECONOMY OF CITIES

A very substantial part of the region has undergone economic transition, from centrally-planned to market economies. Large and capital cities have prospered, with GDP now returning to pre-1990 levels, while smaller ones have fared less well, economically, physically, environmentally and culturally. Economic restructuring during the transition held huge challenges for old industrial cities in the region.

While manufacturing industry has declined in the region in the 20 years, the manufacturing sector remains important. There is a shift to cleaner, greener manufacturing that has smaller spatial demands in cities. The rise of the knowledge economy in North America and Europe, built on a digital revolution, is bringing about massive opportunities and challenges for cities. Changing manufacturing and the growing knowledge economy demands different forms of space and use that better suit the new conditions of economic production, social requirements and cultural institutions. While globalization remains significant, the local specificities of cities become ever more important.

The digital revolution comes with challenges and opportunities. Technical innovation offers new opportunities for urban planning, public participation in decision-making, and transparency of urban management. However, data privacy, security and ownership are challenging the



capacity of governments to utilize these technical innovations in defence of the public interest.

LIVING IN CITIES

The global financial crisis that started in 2008 has led to more inequality in the region. Lack of affordability of housing, especially for vulnerable groups, is a critical matter, leading to problems of accessibility to adequate housing, and increased spatial segregation in cities. Despite being a prosperous part of the world, homelessness and informal settlements are issues. The housing sector needs to respond to these changes, securing new sites for housing provision, and meeting new aspirations, such as energy efficiency and customer-adjusted design, along with the provision of additional services (e.g. for elderly, homeless and migrant people).

The past two decades have witnessed a general trend towards increasing home ownership and reinforcing housing markets in the region. The total stock of social housing in advanced economies has been reduced, while the former public housing in the countries with economies in transition has largely been privatized. The housing sector has seen limited engagement of national authorities in the market, but increased involvement of the private sector, both profit and non-profit organizations.

The privatization of housing was too fast for many local governments and individuals (especially owners) to adapt to. In the eastern part of the region, the phenomenon of poor owners' has become endemic, as a result of the privatization of public housing, a lack of maintenance, and energy inefficiency. Delays caused by collective decision-making by owners of large housing estates, whether in affluent' or poor' areas, have increased costs and often resulted in the deterioration of apartment blocks, particularly in Eastern Europe and Central Asia.

Social interactions in cities have changed over the past 20 years. There has been, on the one hand, a tendency to develop closed communities



and shopping malls, and, on the other, a reaffirmation of the central role of public spaces as frameworks for innovation and social interaction.

Many of the factors that support equity in a city also support the health and well-being of its citizens. These include access to housing, transportation, energy and water supplies, public services, public participation in decision-making, availability and access to safe and healthful food, green spaces, and the reduction of emissions.

ENVIRONMENT AND RISK

The region is among the largest emitters of greenhouse gases (GHGs) per capita, particularly in cities and urban areas. Air pollution, flooding and heat-waves are the most prevalent environmental issues of the region, with cities being most vulnerable. Environmental threats are often also health threats.

Disaster risk reduction (DRR) is an issue more pressing in some parts of the UNECE region, with additional threats of earthquakes, landslides, volcanic eruptions and wildfires, which have a negative impact on the quality of life in urban areas.

Concerns about environmental problems and quality of life are increasing among the public and governments of all scales. Urban sprawl has increased and has resulted in growing consumption of land and pressure on green spaces. The extension of road networks and increasing traffic congestion have further affected the availability of urban land and contributed to urban emissions. There is a need to limit the negative impact of housing on the environment and enhance the energy efficiency of the housing sector.

GOVERNANCE

Since HABITAT II, there has been an increase in the importance of the role of local governments, with a corresponding growth in that of city networks, access to information, and public participation.



Urban governance has experienced decentralization in some parts of the region, although there is a wide variety of governance modes and institutional structures across the individual countries. These differences reflect both the local context and the history. Municipalities in the western part of the region benefit from a strong institutional tradition that has been built over several centuries. Those in the countries with transition economies are working to raise their capacities to address multiple challenges simultaneously. Successful governance modes and institutional structures often cannot be transplanted from one part of the region to another: context is crucial.

In many countries, national governments concentrate on formulating policies and legislation, establishing norms and standards, and providing subsidies for housing and infrastructure from the urban to the territorial scale. The management of urban planning issues is in the hands of local governments within the framework of larger territorial strategies.

Many challenges for urban governance remain, such as the effectiveness in limiting urban sprawl, the creation or reinforcement of socially-cohesive and culturally diverse neighbourhoods, the secure management of urban technology, the resistance to change of highly fragmented institutional frameworks, the harmonization of norms, and the role of participatory frameworks and platforms for inhabitants' involvement in urban governance. There is increasing awareness that management of urban areas extending over different administrative jurisdictions can enhance the efficiency and productivity of the process achieved either through voluntary action by the authorities concerned or through policy provisions from national governments.

The private sector plays a central role in the development and transformation of urban areas, and in the financing and realization of housing, urban infrastructures, urban services and even urban management. In general, an erosion of the public sphere was observed since Habitat II, resulting in more opportunities and responsibilities for the private sector.



The growing use of e-Governance, e-Participation and e-Inclusion has been driven by the supply of new information and communication technology (ICT) services in the absence of dedicated consolidated policies. Data privacy, security and ownership are challenging the capacity of governments to utilize technical innovations in defence of the public interest.

OUTLOOK AND FUTURE TRENDS

The cities of the Region are subject to the processes of urban concentration, sprawl and shrinkage brought about by market forces and events such as the recent financial crisis. In some parts, clusters of the most successful cities are coalescing into urban areas or 'super-cities' with many millions of inhabitants. In an era of ageing and migration, favouring compactness over sprawl is not only a managerial issue for the city; it is a key means to supporting equity, integration and cohesion in society.

Across the region, the shift to a post-industrial, knowledge economy, and the increasingly important role of services, are changing the structure and character of the economy, introducing demands for enhanced qualifications from the labour market and placing different spatial demands on the city. The knowledge economy and the digital revolution flourish around centres of scientific and educational excellence, and are placing new demands on the physical structure of the city.

ICTs play a growing role in the development of smart, sustainable cities, with initiatives aimed at sustaining and improving quality of life in urban areas. The digital revolution has brought many opportunities for individuals, communities and companies, but also a variety of challenges, particularly in the area of urban data management (privacy, security, defence of public interests, etc.).

Social and spatial inequality within and among the cities in the region has been growing, making high quality urban areas affordable only to the most affluent. This is a result of demographic and economic



processes and their territorial and spatial manifestations, such as urban sprawl, concentration and shrinkage. The demographic ageing in many countries and the recent wave of migration exacerbate the complexity of the growing inequalities.

There is widespread consensus for inter-governmental action on the environment and climate change. In the cities of this region, this will mean an accelerated trend to further curbing pollution and faster de-carbonizing urban development and life, requiring more stringent environmental regulations and high volumes of public and private investment.

International standards in housing and international development are driving action towards resilient, connected, spatially- and socially-integrated and compact cities in an equitable partnership with rural areas for the overall achievement of sustainable development.

There is a trend towards people-centred and integrated planning through urbanism, the active process by which cities are designed, developed and managed.

These aims and processes will continue to require collaboration, consensus and positive action among national and city governments, stakeholders and the communities they serve and lead. Addressing these ever more complex social, economic and environmental challenges will require new paradigms and a redoubling of effort from the governance systems to achieve sustainable urbanization.

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