

LEVERAGING URBANIZATION IN SOUTH ASIA

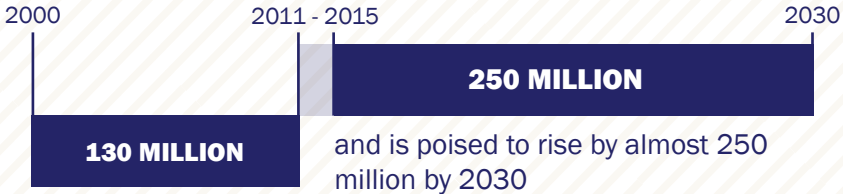
Urbanization provides South Asian nations with the potential to transform their economies but the region has struggled to make the most of the opportunity. Its urbanization has been messy and hidden. Messy urbanization can be seen in the widespread existence of slums and sprawl. Sprawl leads to hidden urbanization not captured by official statistics. These reflect the failure to address congestion constraints arising from the pressure of urban populations on infrastructure, services, land, housing and the environment. Policy reforms are needed to improve the region's trajectory of development.

MANAGING SPATIAL TRANSFORMATION FOR PROSPERITY AND LIVABILITY

South Asia's urban populations grew by:

130 MILLION

More than the entire population of Japan



A SOUTH ASIA'S URBAN POTENTIAL

URBANIZATION

Provides South Asian countries with the potential to transform their economies to join the ranks of richer nations in both prosperity and livability.

80%



Manufacturing and Services

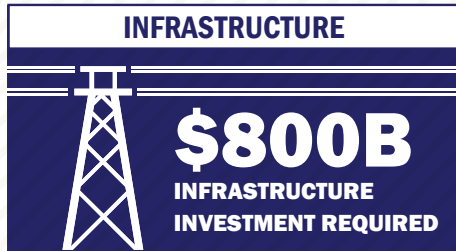
A key trait of urbanization is that the concentration of economic activity improves productivity and spurs job creation, specifically in manufacturing and services, and indeed those two areas now account for more than 80 percent of the region's GDP.

SOUTH ASIA, WHILE MAKING STRIDES, IS NOT FULLY REALIZING THE POTENTIAL OF ITS CITIES FOR PROSPERITY AND LIVABILITY.

B**MESSY & HIDDEN URBANIZATION**

The region's urbanization has been characterized by the widespread existence of slums and sprawl.

The sprawl associated with messy urbanization contributes to hidden urbanization, particularly on the peripheries of major cities, which is not captured by official statistics. Messy and hidden urbanization are symptomatic of the failure to adequately address congestion constraints that arise from the pressure of urban populations on:



\$800 billion in constant dollars (2004) of infrastructure investment will be required 2010-2050 given projected urban population growth.



An estimated 130 million people, at least, are living in slums characterized by poor quality housing in often hazardous areas and a lack of basic services.



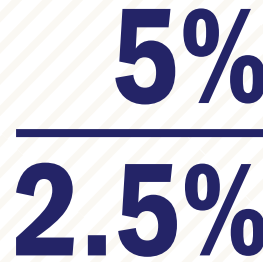
Cities grew about twice as fast in area as they grew in population, which suggests declining average city population densities and increasing sprawl.



203 million additional housing units will be required over the period 2010-2050.



Delhi's air pollution (PM_{2.5} concentration) is almost three times higher than in Beijing.



Urban areas expanded at just over 5 percent a year in 1999-2010, against urban population growth for the region of a little less than 2.5 percent a year.

C**POLICYMAKER RESPONSIBILITIES****South Asia's Policymakers Have a Choice:**

- Continue on the same path and risk locking-in the worst urban problems
- Undertake reforms to make their cities more prosperous and livable

Policymakers Must Address 3 Fundamental Urban Governance Deficits:

- 1. Empowerment**
- 2. Resources**
- 3. Accountability**

This will require improving intergovernmental fiscal relations, identifying practical ways to increase the resources available to urban governments to allow them to perform their mandated functions, and strengthening the mechanisms to hold local governments accountable.

Policymakers Must Also Demonstrate Better Management Across Three Issues:

- 1 Spatial Structures and Intra/ Inter-Urban Connectivity of South Asian Cities**
- 2 Land and Housing Policy Reforms to Stimulate the Supply of Affordable Housing**
- 3 Resilience Strategy Development in the Face of Natural Disasters and Climate Change**

