Economic Commission for Europe

Committee on Housing and Land Management

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Item 7 (b) of the provisional agenda
Key trends and challenges in sustainable urban development in the ECE Region

Note by the Secretariat

1. The present document was prepared to support the discussions for Roundtable II: Sustainable Urban Development Strategies of the Ministerial Segment of the seventy-eighth session of the ECE Committee on Housing and Land Management. This roundtable will discuss trends and patterns in urbanization, integrated urban planning and transition to Smart Sustainable Cities, including financing Smart Sustainable City projects, in the ECE region.

2. The paper provides an overview of key trends and challenges in urban development in the ECE region. The paper is based on the analysis in the HABITAT III Regional Report on Housing and Urban Development for the ECE Region, which was prepared by ECE and UN-Habitat for the Habitat III – UN Conference on Sustainable Housing and Urban Development (October 2016, Quito, Ecuador).[1] This background paper highlights important issues arising from the HABITAT III Report for the ECE Region as member States move forward towards the implementation of key UN instruments including 'Transforming our World: the 2030 Agenda for Sustainable Development', the 'New Urban Agenda' and 'The Geneva UN Charter for Sustainable Housing'.

3. Delegates are invited to take note of the document.

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[1] The report is available at http://www.unece.org/housing/habitat3regionalreport.html

Acknowledgements

Disclaimer

Introduction

The subtitle of the Habitat III regional report provided a useful starting point for this paper: *Towards a city-focused, people-centred and integrated approach to the New Urban Agenda.* This subtitle was intended to provide the reader with clear signals about the report, its content and intent within the context within which it was prepared: namely the preparation for Habitat III in Quito in 2016 and the ECE's input to the global conference and the New Urban Agenda.

The word *'towards'* implies the journey that all member States and cities, no matter their location, will need to make in embracing and implementing the New Urban Agenda; and the phrases *'city-focused'* and *'people-centred'* embody the essential message of the New Urban Agenda. Firstly the 21st century is the century of the city – where by mid-century about three quarters of the world's peoples will live and work – and secondly, that in embracing the 17 global *Strategic Development Goals (SDGs)*, actions by cities and member States need to be based on people and securing their inalienable rights. Finally, the word *'integrated'* is as important as any of the others in the title since it identifies a central finding of the research – that in pursuit of the SDGs our actions must be integrated in order to achieve balanced outcomes.

The member States of the ECE have great diversity and extend from the three continental countries of Russia, Canada and the United States of America to the microstates of Andorra, Liechtenstein and Monaco. The ECE region lies entirely in the northern hemisphere and extends across the world from Vancouver in the west to Vladivostok in the east.[1] The peoples of the ECE live in the temperate zone between the Tropic of Cancer and the Arctic Circle. Much of the territory is covered by boreal forest – the Russian Taiga, which provides a bio-diverse and growing biome for habitation greater in extent than the tropical rainforest.[2]

The Habitat III regional report provided the opportunity to study and reflect on patterns of urbanisation within the four sub-regions: North America, Europe (the EU and EFTA), Russia and the former CIS countries and the Balkans, Turkey and Israel – and an opportunity to document similarities and differences within and between these sub-regions.[3] The ECE region has under 17% of the world's population, 45% of global GDP and some 67% of the world's freshwater in its systems of rivers and lakes. (Figure 1: The sub-regions of the ECE).[4]

Key trends of urban development in the ECE Region

Within this rich, temperate region, the HABITAT III Regional Report was able to identify a number of key trends emerging in the last 20 years. The greatest global trend, threat and

opportunity for change is represented by climate change – a global challenge that is recognised by 195 signatories to the Paris Agreement and the SDGs.

Under this shared global agenda, the ECE is experiencing four key trends:

- An ageing population: leading to changing demands on infrastructure and social services as well as shrinking tax revenues and decline in the active workforce through retirement;[5]

- Low-fertility: although it varies, there is a reduction in birth rates across the region that in some parts results in shrinking populations. Where this occurs together with lifestyle changes, smaller family sizes increases housing demand;[6]

- The Knowledge Economy and Automation: These forces are reshaping our cities to new forms that suit the new conditions of economic production, social requirements and cultural institutions with considerable implications for education, training and availability of less-skilled forms of employment;[7] and

- Migration: in recent years, international migration flows have risen to levels unprecedented since World War II.[8]

These four trends vary in their manifestation in the four sub-regions of the ECE region. Nonetheless, these trends are present in all four sub-regions and in ways that are different and more advanced than in the other UN regions.

Considered individually, each of these trends presents their own **challenges:** considered collectively, the trends present a potentially toxic combination of circumstances and challenges for the countries, cities and peoples of the ECE.

For example, the combination of longevity and low-fertility creates a challenge for social care and the supply of economically active workforce to support older generations. Equally, automation runs the risk of extinguishing many valued jobs that exist at present. Just as society is maturing to address gender, generational and race inequalities, so the range of employment opportunities for those without formal qualifications is likely to be drastically diminished. The most popular, and easily acquired, responsible job for men lacking formal education is that of driver – a class of employment directly affected by trends in automation.[9]

Finding an accommodation and settlement for the balanced resolution of these trends is perhaps the greatest societal challenge facing the ECE region and it will be played out across the cities of the sub-regions in the implementation of Agenda 2030 and the New Urban Agenda.

The paradigm shift from industrial to knowledge city

The other significant trend that has been experienced in the cities of the ECE region is the paradigm shift from *'the industrial city'* to *'the knowledge city'*: a shift where the means of production has become knowledge itself.[10] The industrial city required access to raw materials and markets with specialised transportation networks, the in-migration of a significant labour force to power the industry and later the zoning of land for efficient industry and population health. The knowledge city however has no spatial needs beyond proximity and access to universities, airports and cultural districts. The knowledge city demands mixed-use neighbourhoods and an experience economy. The importance of image and attractiveness, of place itself, has become paramount. (Figure 2: the paradigm shift from industrial city to knowledge city).[11]

In other regions – Asia, Africa, South America – the last two decades have been characterised by the emergence of the megacity, but in the ECE region by contrast, the paradigm shift from industrial to knowledge city together with the trends in longevity, fertility, automation and migration has had a different outcome. These trends and the combination of air travel and the exponential growth of the internet (the jet age and the net age) has fuelled urban concentration where the advantages of spatial proximity has been advantageous to clusters of successful, historic cities frequently centred on a world city such as New York or London. These urban clusters are described as 'super-cities' in the Regional Report where a number of successful cities, within one hour's air travel of one another and with access to research centres and knowledge economies, use the advantages of spatial proximity to create the economy of scale of a megacity but in a polycentric region where quality of place and quality of life are able to be promoted as essential attributes of the knowledge city.[12]

More remote cities that do not have the benefits of spatial proximity evident in the 'super-city' regions have fared less well. Consequently, many cities have shrunk where it has not been possible to replace obsolescent older industries with knowledge industries. There are, however, exceptions where 'outlier' cities have been able to develop a profile that has enabled them to make the transition often with the assistance of a state enterprise or geographical advantage.[13]

All cities however face the challenge of urban sprawl whether because of coalescence among a grouping of successful cities or from the hollowing out and suburban expansion of a shrinking

city.[14] For all cities in the ECE there are certain trends in urban policy that can assist city governance address these challenges. The most prominent can be characterised as the *'compact city'* and the *'resilient city'*. The compact city is characterised by dense development, an effective labour market integrated public transport and efficient public services and the resilient city by a focus on leadership strategies for health and wellbeing, economy and society and infrastructure and environment. (Figure 3: the compact city and the resilient city).[15] These are by no means the only policy models and no such models can provide a perfect fit for any city. Nevertheless, they provide useful insights into the need for an integrated approach to the delivery of the UN's principal instruments for urban change in order to develop an approach that is city-focused and people-centred.

Action for implementation

The importance of integration and balance cannot be over-emphasised as governments in cooperation with stakeholders design action to implement the 17 Sustainable Development Goals of the 2030 Agenda for Sustainable Development.

Goal 11 (Sustainable Cities and Communities) could perhaps be considered a first-among-equals in pursuit of the New Urban Agenda in respect of the 263 cities within the ECE region of 500,000 or more of population, but in reality actions must be coordinated against any SDG with effects on support for the others. It is inconceivable that progress with Goal 11 can be achieved without parallel action under Goal 13 (Climate Action) and the same is equally true of all other goals.

The three principal UN instruments to drive action in the ECE Region comprise 'Transforming our World: The 2030 Agenda for Sustainable Development', the New Urban Agenda and 'Geneva Charter on Sustainable Housing'.

As the ECE Committee of Housing and Land Management moves to consider the agenda for future action and the means to put this into practice, one of the initiatives the Committee has announced concerns the creation of a number of Geneva UN Charter Centres located in member States. The Charter Centres might be located within Government Agencies or Departments, City Governments or Universities with the aim to act as a network of centres of excellence, to develop innovative ways to support action in pursuit of the three seminal documents and to undertake innovative research and effect knowledge exchange.

Establishment of a network of such centres will allow bringing the implementation of all the relevant global and regional agreements to the local level and establish vertical and horizontal

(across sectors) coordination of these activities.

References

[1] Habitat III regional report on housing and urban development for the UNECE region, Chapter 1: About the Region, Section 1.1: Geographical coverage of the report.

[2] Regional Report: Section 5.1: The environmental context.

[3] RR: Sect 1.2: The subregions.

[4] RR: Sect 1.1: Geographical coverage of the report.

[5] RR: Sect 2.2: Demographic trends.

[6] RR: Sect 2.2: Demographic trends. This issue is more significant in some countries in Russia, Ukraine, Belarus, Moldova, Georgia and Armenia although less pronounced in the group of Turkic countries.

[7] RR: Sect 3.3: The emergence of the knowledge economy; Sect 3.4: The digital revolution; Sect 3.5: The internet of things.

[8] RR: Sect 2.3: The challenges and opportunities of migration.

[9] It is estimated that there are 3.5 million truck drivers in USA (https://www.theguardian.com/technology/2016/jun/17/self-driving-trucks-impact-on-drivers-jobs-us) and 300,000 taxi driver in England (https://www.gov.uk/government/statistics/taxi-and-private-hire-vehicles-statistics-england-2015)

[10] Habitat III regional report on housing and urban development for the UNECE region, Chapter 1: About the Region, Chapter 3: The economy of cities.

[11] RR: Annex 01: Emerging trends.

[12] RR: Sect 2.1: The process of urbanisation and Annex 01: Emerging trends.

[13] Such as Santa Fé, New Mexico (http://www.city-data.com/us-cities/The-West/Santa-Fe-Economy.html)

[14] Habitat III regional report on housing and urban development for the UNECE region, Chapter 2, Sect 2.1: The process of urbanisation and Annex 01: Emerging trends.

[15] RR: Annex 01: Emerging trends.

VLADIVOSTOK

South East Europe

100

Eastern Europe Russia
Caucasus & Central Asia

290

EU/EFTA

520

VANCOUVER

North America

355

The Territories of the United Nations Economic Commission for Europe (UNECE)
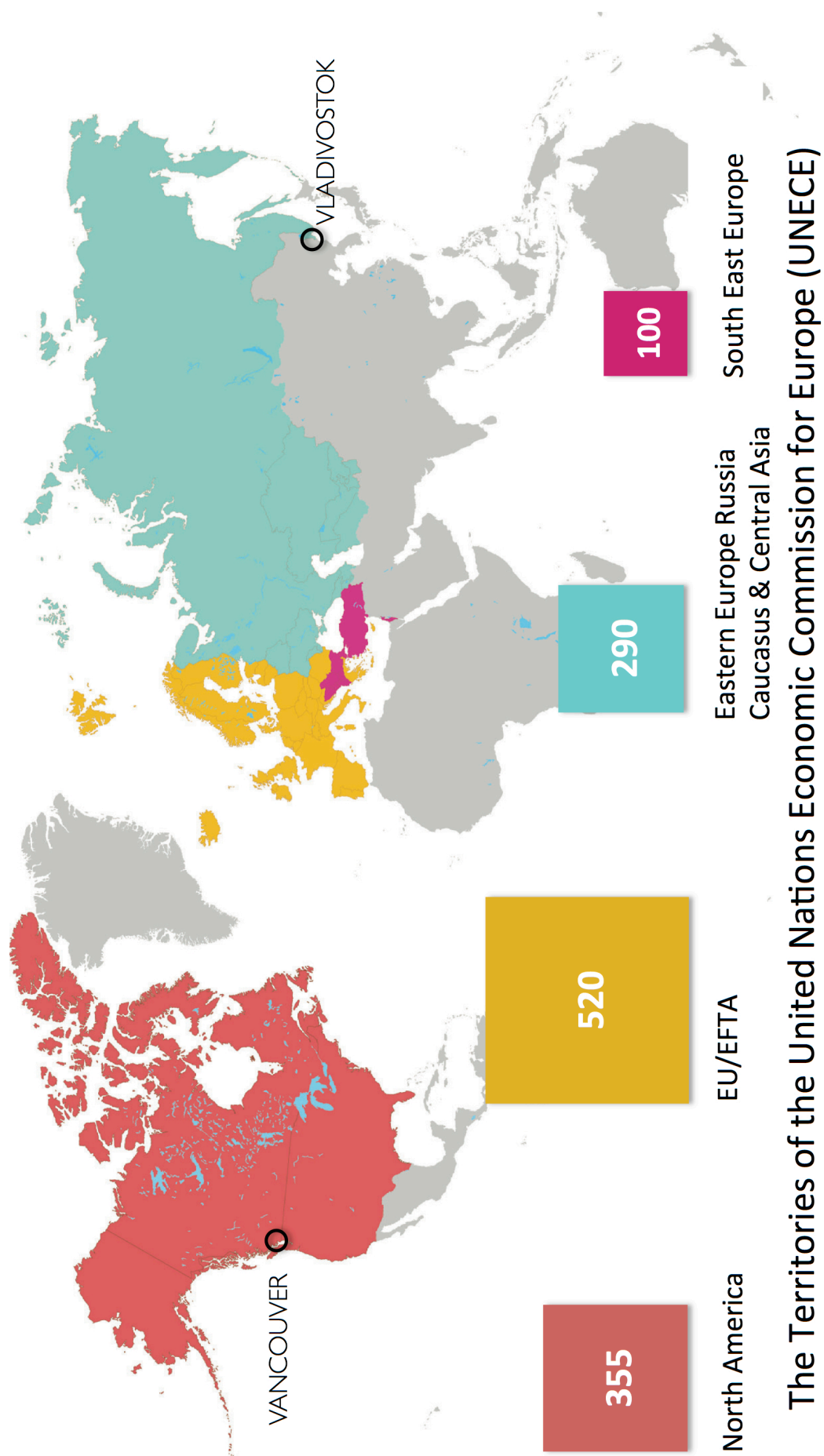
Figure 1: The sub-regions of the UNECE (population)

THE INDUSTRIAL CITY

- Access to Materials & Markets
- Zoning of Land for Efficiency and Health
- Freight Transport Networks
- Significant In-migration

THE KNOWLEDGE CITY

- No Spatial needs beyond Proximity
- Demand for Mixed-use and the Experience Economy
- Universities, Airports, Cultural Quarters
- The importance of **Place** - Image & Attractiveness

GLASGOW URBAN LAB
THE GLASGOW SCHOOL OF ART

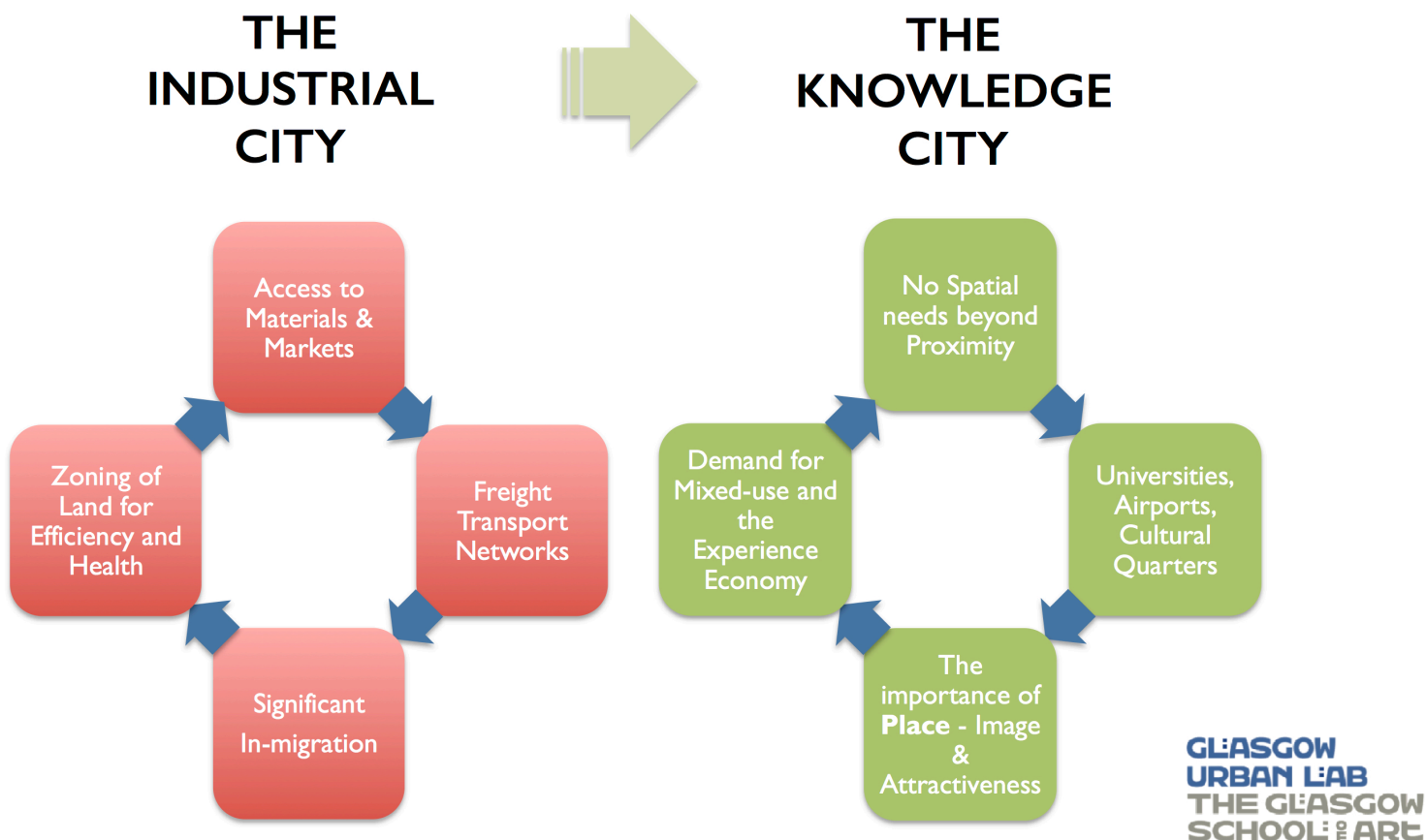Figure 2: the paradigm shift from industrial city to knowledge city

THE COMPACT CITY – a positive urban cycle

- Effective Labour Market
- Efficient Public Services
- Dense Development
- Integrated Public Transport

OECD

THE RESILIENT CITY – a positive urban cycle

- Leadership & Strategy
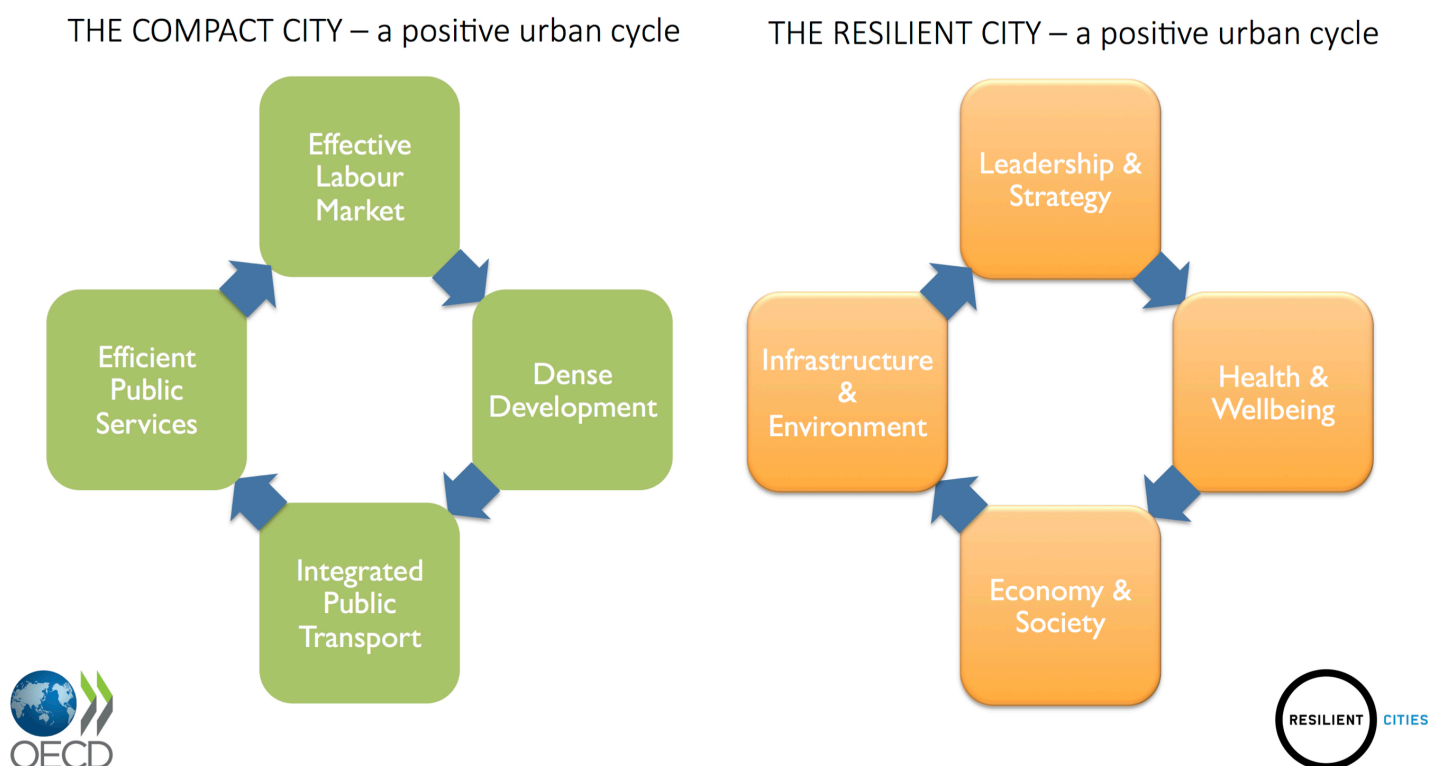- Infrastructure & Environment
- Health & Wellbeing
- Economy & Society

RESILIENT CITIES

Figure 3: the compact city and the resilient city