Setting the Scene: The Rise of Secondary Cities

Presentation for the

Asia Development Dialogue: Building Resilience and Effective Governance of Emerging Cities in ASEAN

Lee Kuan Yew School of Public Policy, National University of Singapore

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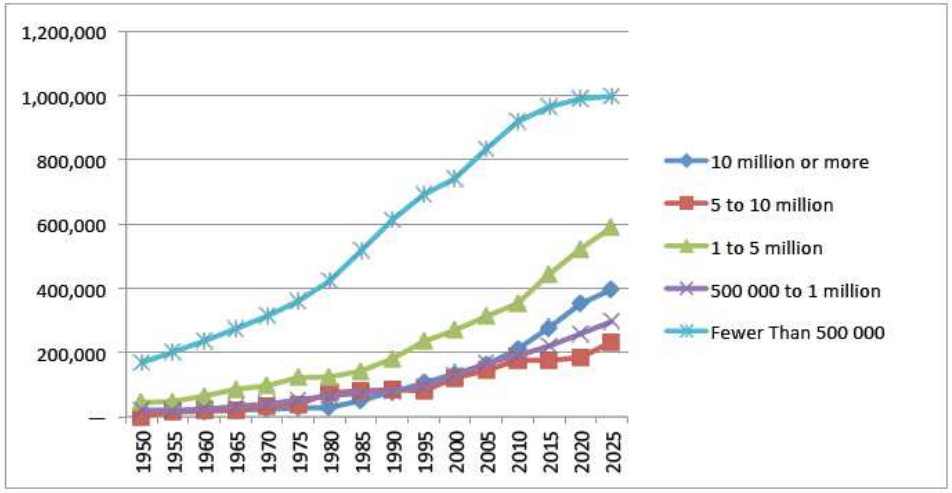
Donovan Storey

Chief
Sustainable Urban Development Section, Environment and Development Division
United Nations Economic and Social Commission for Asia and the Pacific
Bangkok

Asia-Pacific urbanization: The place of secondary cities

- Urban growth in Asia-Pacific will be this century's most important demographic trend.
- In UN projections, almost 90% of the world's urban population growth in 2014-2050 will occur in Asia and Africa.
- In 2014-2050, Asia-Pacific urban share will rise from 43% to 63%: 1.3b over this same period.
- Half of Asia-Pacific's urban population lives in cities <1 million.
- Intermediate or midsized cities (< 5 million) will account for the largest share of urban growth in region's developing countries.
- In China & India where major urban growth will occur, secondary cities expected to absorb half of urban expansion in coming years.
- According to OECD, 43% of member's economic growth in 1995-2007 was driven by secondary cities.

Secondary cities & Asia-Pacific urbanization: Key trends



Source: Derived from UN World Urbanization Prospects, the 2011 revision data.

City Size	2010	2025
Fewer Than 500 000	50%	40%
500 000 to 1 million	10%	12%
1 to 5 million	19%	23%
5 to 10 million	10%	9%
10 million or more	11%	16%

Source: Derived from UN World Urbanization Prospects, the 2011 revision data.

The rise – and rise - of secondary cities: At the national level

- Secondary cities assuming greater prominence as economic and development centers in national, regional & global contexts.
  - **China** (1-10 million) – 135 "second-tier" cities. e.g. coastal cities such as Hangzhou, Shantou, Xiamen, and Zhuhai, and inland cities such as Chengdu, Chongqing, Nanjing, Xian.
  - **India** (1-5 million) – 40 cities. e.g. Nagpur, Pimpri Pune and Visakhapatnam.
  - **Thailand** – e.g. Chiang Mai, Pattaya-Bangkok, Chiang Rai-GMR
  - **Malaysia** - regional cities & urban corridors e.g. Klang Valley, Penang-Georgetown, Johor Bahru, Kuantan etc.
  - **Indonesia** – emergence of Bandung, Surabaya, Semarang, Solo etc

Defining Secondary Cities: Going beyond the numbers

- No universal agreed definition of 'secondary city', often defined by:
  - population size;
  - urban hierarchy in national & regional contexts; or
  - economic & social structure etc.

- Definition by population size:
  - 100,000-500,000/ UNHABITAT, 1996), 250,000-500,000 (Bolton & Hildreth, 2013), 500,000- 1million (World Bank, 2012), 150,000-10 million (Dobbs et al., 2011)
- Economic & social structure: 'large enough to perform important economic & social functions for their populations & in surrounding areas, but smaller than the largest metropolis' (Rondinelli, 1983).
- Role, function and relationship: what secondary cities can tell us

Defining secondary cities: Going beyond the numbers cont.

- Understanding secondary cities through past, present & future(s)

Daegu, Cebu, Lanekel, Bukhara, Laguna/CALABARZON region

Where have secondary cities succeeded?

- Successful cities have tended to leverage:
  - Availability of land & lower land costs
  - Locational advantages – intrinsic & devised

    e.g. proximity to consumer markets /low cost labor markets, linkages with primary & global cities
  - Unique attributes based on historic assets

    e.g. cultural heritage
  - Creative & ambitious local leadership –fashioning opportunity

- Diversified & integrated growth strategies, including:
  - Strategic investment plans to attract business, industries & high skilled workforce – infrastructure (e.g. airports, railway & road networks, communication, conference & accommodation facilities), educational institutions etc

Where have secondary cities succeeded? (continued.)

- Effective branding;
- Development of high value-added & fast growing industries

  e.g. electronics, pharmaceutical, IT, manufacturing & machinery, e.g. automobile clusters in India;
- Liveability & high quality of environment: recreation and the arts;
- Polycentricity structure through new infrastructure projects that connect to larger cities;
- Integration into the national and regional economy – **but** mono-bases provide risk;
- Partnership/networks with other cities and the private sector. e.g. Bangalore, Zhuhai, Shantou
- Some have even learned from larger city experience: e.g. over-population, poor planning, neglected infrastructure development, environmental degradation.

Challenges faced by secondary cities: Growing pains

- Challenges faced by emerging secondary cities:
  - **Economic -** sufficient and sustainable economic growth, weak linkages to new markets, job creation for large number of in-migrants, attractiveness for investment, 'bankability', fiscal decentralization & 'anemic' revenue from local sources.
  - **Social -** balance between wealth generation & poverty reduction, rapid social change & conflict, spatial segregation, access to social support services.
  - **Infrastructural/Environmental** – infrastructure deficits (e.g. road, public transport, waste treatment, schools, hospitals), shortage/oversupply of housing, urban sprawl, degradation of farmlands and natural resources.
  - **Governance** – weak fiscal base, dependence on allocations, information deficits, limited human resources; regulatory/legal frameworks; LG may simply sustain itself rather than be transformative.

Secondary cities in decline: Lessons from Japan

- Midsized & small cities in Japan outside metropolitan areas suffered significant decline in the global market & population & aging population since the 1990s due to:
  - Collapse of bubble economies, losing competitiveness,

    e.g. globalization, lower prices of agricultural products, & loss of manufacturing industries to low labor cost countries.
  - 'Lost economies' of centres due to large-scale suburban developments and motorization.
  - Town Center Revitalization Law (1998) enacted - more than 100 cities have been approved under the law to develop and implement their revitalization plans.
  - So far, only a few successful examples. An initial assessment for 14 cities revealed very slow progress against initial goals (28%) (Japan Ministry of Economy, Trade and Industry, 2012).

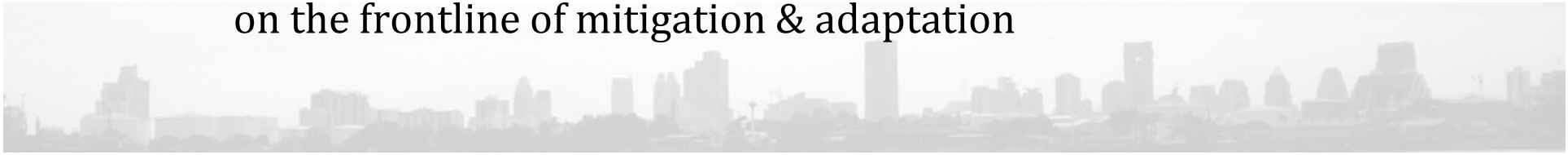
Cities in decline and revitalisation (example)

- Nagahama- city (Japan): branding itself to increase tourism attractiveness
  e.g. restoration of traditional streetscape, and revival of glass crafts & cultural heritages.

- Lessons elsewhere: Yantian in PRD as 'failed industrialization'; mono-cities in Central Asia, failed master-planned cities & failed placemaking etc.

Secondary cities, environmental challenges – and opportunities

- The Asia & Pacific region: natural disasters - climate change increases the magnitude & frequency of extreme weather events. 18% of Asia's urban population lives in low-lying coastal zones threatened by sea-level rise (McGranahan et al., 2007).
- Climate change initiatives - focus on secondary cities due to challenges & opportunities to develop more sustainable urban models.
  - Need for increased resilience concurrent to growth;
  - Gaps in provision of infrastructure & services;
  - Limited finances;
  - Less institutional adaptive capacity;
  - Vulnerability of the poorest/migrants to adverse climate-related impacts – limited 'protection';
- The need to shift toward low-carbon futures: secondary cities on the frontline of mitigation & adaptation



Climate change resilience initiatives

- Asian Cities Climate Change Resilience Network: ACCCRN (Rockefeller Foundation, 2007) – 10 cities in Indonesia (Semarang, Bandar), India (Indore, Surat, Gorakhpur), Thailand (Chiang Rai, Hat Yai) and Vietnam (Can Tho, Da Nang, Quy Nhon) (Brown et al., 2014; Friend et al., in press)
  - Aims – (i) capacity building to plan, finance, coordinate and implement climate change resilience strategies, (ii) development of a network for knowledge & learning, (iii) expansion and scaling up of the strategies.

- Managing Climates Risks for the Urban Poor (ADB, UK, the Rockefeller Foundation) – 25 cities in Bangladesh, India, Indonesia, Pakistan, the Philippines & Vietnam (ADB, 2013)
  - Aims – (i) integration of resilience thinking into city plans, (ii) provision of technical assistance for 25 infrastructure projects, (iii) knowledge gathering & research.

Chiang Rai: Urban Ecosystems and Biodiversity Conservation toward Low Carbon City and Climate Change Resilience

Our urban future and the rise of secondary cities

- In future decades, secondary cities will account for the largest share of urban growth in developing Asia
- Their development will largely shape the region's urban future: a reorientation of research & policy attention
- Secondary cities remain largely untapped: but increased competition for investment and 'placemaking'
- Their development experience is not linear: vulnerability to shifting national/global systems and flux
- State policy is important: enabler, facilitator but also competitor
- On the frontlines of new urban agendas: innovations & policy initiatives at current scale can develop the models for a low-carbon urban future