A NEW GLOBAL ORDER OF METROPOLITAN AREAS

Soo-Jin KIM
OECD Centre for Entrepreneurship, SMEs, Regions and Cities
Cities, Urban Policies and Sustainable Development Division

“Post-Habitat III Future challenges of the metropolis: A contribution to the New Urban Agenda” conference
Barcelona, 22 May 2018
Urbanisation will continue – mostly outside Europe

Share of the world population living in urban areas (1970-2050)

1970: 36%
2009: 50%
2050: 70%

Nearly 90% of urban expansion will take place in Asia and Africa.

Source: OECD (2016), OECD Science, Technology and Innovation Outlook
Urbanisation alone is no guarantee for economic success

Urbanisation and development

Annual observations of country GDP per capita (relative to the US) and share of urban population (1970 - 2013)

No country grew rich without urbanising

... but many have urbanised without growing rich

Source: OECD (2015), *The Metropolitan Century: Understanding Urbanisation and Its Consequences*
A **new policy environment** shaped by four complex, disruptive, interrelated megatrends

- **Globalisation**
- **Digitalisation**
- **Demographic changes**
- **Climate change**

Global growth is back…

Between 1995 and 2015, almost all OECD countries have experienced some degree of **job polarisation**:

In Europe in 2050, around **one third** of the population will be over 65 years old.

Cities contribute over **70% of global GHG emissions** and are responsible for **2/3 of global energy consumption**.

… but inequality in GDP per capita **within countries** increased by about 20% between 1995 and 2015.

Globalisation

Digitalisation

MEGATRENDS

Demographic changes

Climate change
How does a “city of cities” function? the example of Paris (France)
Higher administrative fragmentation is associated with lower productivity & stronger inequalities

Productivity **falls** by 6% for a doubling in the number of **municipalities** (for a given population size)

More fragmented metropolitan areas are **more segregated**


Shaping more effective policies at the right (metropolitan) scale

Italy: 14 città metropolitane

UK: 23 directly elected mayors

France: 19 métropoles + 2 with special status
Final considerations

• Cities can **drive national growth** and improve people’s life opportunities…

• … but they can also **leave many behind** ("cities of the billionaires and the beggars").

• The way cities are **governed** has an impact on their economic performance and their level of inclusion.

• No single model for success, but **aligning policy objectives** across city/metropolitan/regional/national/(supra-national) levels of government can help target public resources more effectively.