

SUSTAINABLE URBAN DEVELOPMENT AND DEVELOPING COUNTRIES

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ABSTRACT: *Cities are the biggest challenge for judging the validity and applicability of concepts of and policies for sustainable development. The importance of cities is based not solely on demographic grounds, but on economic, political and social grounds as well.*

Cities around the world are growing at a never experienced rate. Over the past thirty years, the number of people living in cities in the developing countries has grown with more than 200%. Explosive urban migration, high birth rates, high unemployment rates, increasing crime, limited or ineffective health and education services, crumbling or missing infrastructure, and unfavourable business climates have created inhospitable cities. The cities suffer from widespread air and water pollution and soil contamination. Health conditions in many cities are often far below decent standards. Even in more flourishing countries, many health disorders are related to the negative effects of the urban environment.

Nevertheless, cities will largely influence the social, cultural, economic, and environmental sustainability of our societies and the earth in the future. If cities are not only to survive but also to prosper in the 21st century, they must undergo a major transformation, which in developing countries cannot be carried out without global plans and commitments. In my paper I will (i) summarize the current situation of and future challenges for cities in developing countries, (ii) assess the impact of them on global welfare and sustainable development, (iii) review the role of developed countries (with focus on the EU) in promoting development; and (iv) delineate some possible directions for the future.

KEYWORDS: *sustainable development, city, demographic grounds, urban migration,*

JEL CLASSIFICATION: *K 00, K 32*

1. CITIES IN DEVELOPING COUNTRIES

Until modern times, the world's population has lived a rural lifestyle, dependent on agriculture and hunting for survival. At the beginning of the XIX. century, only 3 percent

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of people lived in urban areas. Only one hundred years later already almost 14 percent were urbanites, although only a dozen cities had 1 million or more inhabitants. By the end of the Second World War this number was doubled, and 30 percent of the world's population resided in urban areas. The number of cities with over 1 million inhabitants had grown to 83¹

In the past few decades our world has experienced unprecedented growth in urban population. At the time of the new Millennium, about 47 percent of the world's population, more than 2.8 billion people lived in urban areas and there were 411 cities over 1 million inhabitants. In developed countries about 76 percent of the whole population is urban, while 40 percent of residents of less developed countries live in cities. On the other hand, the level of urbanization is growing more rapidly in many developing countries. It is expected that 60 percent of the world population will live in cities by 2030, and that most urban growth will occur in developing countries.²

1.1. Reasons of the growth

Cities are growing through natural increase (i.e. the excess of births over deaths) and because the level of in-migration of people from other cities, rural areas, or countries exceeds the level of out-migration. Developed and developing countries are different not only in the percentage of people living in cities, but also in the way in which urbanization is occurring.

Urbanization in most developing countries in the XX century contrasts sharply with the experience of the developed countries: on the one hand, death rates have fallen faster in urban areas because of greater access to health services, and on the other hand because birth rates are relatively high in most less developed countries, the rates of natural increase are also quite high. Migration also promotes urban growth in developing countries as people leave the rural areas searching better job opportunities. However, the intensity varies from country to country. Cities in some developing countries, such as Mexico City, grew very rapidly between 1950 and 1980, and are growing more slowly now. Many Asian and African cities, such as Lagos and Bombay, are experiencing very rapid growth now and are projected to continue at this pace.

1.2. Megacities

Due to the increasing number of population, more people live in large cities. Many people live in one of the megacities of the world, which are cities with over 5 million inhabitants. In 1950, only eight cities had populations of 5 million or more, and two of them were located in developing countries. In 2000, there were already 41. By 2015, 59 megacities expected to exist, 48 of which expected to be located in developing countries.

By the end of the XXI century, cities of 10 million and larger will be more widespread. In 1950, only one city had more than 10 million inhabitants. By 2015, 23 cities are expected to have over 10 million inhabitants; all but four of these cities will be in developing countries.³

¹ Carl Haub, 2007. World Population Data Sheet. (Washington, DC: Population Reference Bureau, 2007).

² <http://www.prb.org/Educators/TeachersGuides/HumanPopulation/Urbanization.aspx> [downloaded on: 28.03.2008]

³ <http://www.prb.org/Educators/TeachersGuides/HumanPopulation/Urbanization.aspx> [downloaded on: 28.03.2008]

2. MAJOR PROBLEMS AND CHALLENGES

Not all cities in the world would feel like a city to outsiders. While high-rise living, skyscrapers, and modern transportation and sanitary facilities may be common in cities in the developed world, other urban areas are far different. In the slums of Lagos, Nigeria, dirt paths are the main way to get around. In India, 31 percent of urban households do not have a bathroom facility in the house.

Urban people have a great impact on the environment through the consumption of food, energy, water, and land. Consecutively, polluted urban environment affects the health and quality of life of the urban population. People who live in urban areas have basically different consumption customs than people living on the countryside; urban populations consume much more food, energy, and durable goods than rural populations.

By extension, the energy need for electricity, transportation, cooking, and heating is much higher in cities than in villages. For example, in urban populations the per capita number of cars is much higher than it is in rural populations. The urbanization of the world's populations will increase aggregate energy use, which is very likely to affect the environment. Urban consumption of energy creates heat islands that can change local weather patterns and weather downwind from the heat islands. The heat island definition is created as cities radiate less heat back into the atmosphere than rural areas, making cities warmer than rural areas. These heat islands fence in atmospheric pollutants. Fog and cloudiness occur more frequently. Precipitation is 5 percent to 10 percent higher in cities, and thunderstorms and hailstorms are much more regular.

But urbanization affects environment also outside of the cities. Regions downwind from huge industrial complexes experience increases in the amount of precipitation, air pollution, and the number of days with thunderstorms. Urban areas also influence water runoff patterns. Not only do urban areas generate more rain, they reduce the infiltration of water and lower the water tables. This means that runoff occurs more quickly with greater peak flows. Flood volumes increase, as also floods and water pollution downstream do. However, not all of the effects of urban areas on the environment are necessarily linear. Bigger cities do not lead to more environmental problems in every case and the other way around, small cities might cause large problems. Concentration might be potentially beneficial. With world population growing by about 82 million a year, demographic concentration makes sustainability more likely. Global urban expansion takes less land than land lost every year to agriculture, forestry, and graze, or to erosion and salting.⁴

3. THE ROLE OF DEVELOPED COUNTRIES (WITH FOCUS ON THE EU) IN PROMOTING DEVELOPMENT

If cities are not only to survive but also to prosper in the 21st century, they must undergo a major transformation, which in developing countries cannot be carried out without global plans and commitments. Developed countries are already recognised it and

⁴ Population Bulletin: World Population Highlights: Key Findings from the 2007 World Population Data Sheet. <http://www.prb.org/pdf07/62.3Highlights.pdf>

provide development assistance for less developed countries. UN and OECD plays a dominant role in this field. Ahead of major conferences on aid effectiveness in Accra and development finance in Doha, policy makers are bracing themselves for a busy 2008. Instead of dealing with the international community as a whole, in this paper I would like to concentrate on the activities of the European Union.

The European Union plays a multiplicity of roles in a range of policy areas in the international system⁵ and the global context is increasingly seen as a stage on which the Union must act.⁶ These EU-foreign policy areas mainly include trade relations, security and defence issues, development affairs, environmental issues and humanitarian assistance. The role of the EU varies from area to area.

Today the European Union (European Commission and Member States) accounts for 55% of the world's overseas assistance, making it the world's largest donor. The Commission manages one fifth of this amount. The expressed aim of EU external assistance is to help countries to overcome their difficulties and to implement their own political, social and economic reforms. The figures reflect the Commission's commitment to eradicate poverty and promote peace, human rights and sustainable development in over 150 countries around the world.

3.1. Development Co-Operation

In the EC Treaty in force there is a broad basis for establishing relations with third countries, covering many different areas, and for participating in multilateral negotiations and agreements. Development co-operation policies acquired equal weight as the other policies, like environmental, social or monetary policy.

For today, the Treaty has much evolved from its original approach where references to the conclusion of international agreements were limited to commercial policy and association. The development co-operation policy in the first stages was a derivative of these external commercial and association policies of the European Economic Community (EEC). The association formula was used for creating a framework for relations with the ACP countries (African, Caribbean and Pacific countries) in the Yaoundé and Lomé Conventions. These relations can be considered as the roots of the notion of development. The application of the association formula for EEC-ACP relations was never challenged, predominantly because the above mentioned conventions were concluded as mixed agreements. On the other hand, there was an immense debate on whether EEC competence in matters of commercial policy can be extended to trade agreements or trade measures with a strong development component.⁷ In Opinion 1/78⁸ the European Court of Justice (ECJ) confirmed that this competence covered those commodities agreements which regulated rather than liberalized trade agreements drafted in the framework of UNCTAD⁹

⁵ Charlotte Bretherton – John Vogler: *The European Union as a Global Actor*. Routledge, London. 1999. p. 15.

⁶ Marise Cremona: *External Relations Of The EU And The Member States : Competence, Mixed Agreements, International Responsibility, And Effects Of International Law*. European University Institute, Florence. 2004. p. 553.

⁷ Eeckhout, P.: *External Relations of the European Union*. Legal and Constitutional Foundations. New York, Oxford University Press, 2004. p. 106.

⁸ Opinion of the Court of 4 October 1979. Opinion given pursuant to the second subparagraph of Article 228(1) of the EEC Treaty re International Agreement on Natural Rubber. [1979] ECR 02871

⁹ United Nations Conference on Trade and Development

and thus specifically aimed to give support to the development of signatory states. However it is allowed the Member States to finance these agreements instead of the Community, and therefore these conventions must be considered as mixed agreements.¹⁰ Since financing is clearly a fundamental aspect, the recognition of Member States' involvement became very soon an important factor in the Community's development co-operation policies. Later the ECJ confirmed its position took in Opinion 1/78 in the GSP case.¹¹ In addition to such trade agreements, unilateral trade preferences provided for developing countries also fall within the scope of the common commercial policy.¹² While association agreements and trade policy provided a solid ground to build up a Community-level development co-operation policy, there were still some limits of them: the notion of development is much broader than trade, it is impossible to conclude association agreements with all developing countries, and it was also not easy to find a proper legal basis for the new areas of development, such as like humanitarian aid.¹³ There are two cases from which we can easily understand the uncertainty around the legal foundations of the EEC's development co-operation policy prior to the TEU.¹⁴ In the so-called Bangladesh case¹⁵ the European Parliament has challenged decisions providing emergency aid for Bangladesh, on the ground that Bangladesh infringed its prerogatives in budgetary matters. The Court dismissed the claim, and pointed out that "*A decision of the representatives of the Member States on humanitarian aid for a non-member country, a field in which the Community does not have exclusive competence, is thus not a Community measure against which an action may be brought*".¹⁶ The Court underlined in its reasoning that since the Community "*does not have exclusive competence in the field of humanitarian aid*", the Member States are not precluded from exercising their competence neither collectively in the Council nor outside it.¹⁷ The Court in this regard followed the opinion of the Advocate General, who was on the opinion that it was a common ground in that time that "*in the field of humanitarian aid the competence of the Community is not exclusive but concurrent with that of the Member States.*"¹⁸ On the other hand, neither Jacobs AG, nor the Court identified the legal basis of the Community's humanitarian aid policy in the Treaty. The Court finally allowed the Member States to finance collectively emergency aid, and to take decisions on it when they are meeting in the Council, but not as Council, meaning that Member States can only act outside the framework of the Treaty and of the budget.¹⁹ In the so-called Lomé IV case²⁰ the Parliament was seeking annulment of a financial regulation applicable to development finance cooperation under the Fourth ACP-

¹⁰ Eeckhout, p. 107.

¹¹ Case 45/86 Commission v Council [1987] ECR 1493.

¹² Eeckhout, p. 107.

¹³ Weiler, CfJHH.: The Constitution of Europe. CUP, 1999, p. 54.

¹⁴ Ward, A.: Community Development Aid and the Evolution of the Interinstitutional Law of the European Union. In: Dashwood, A. and Hillion, C. (eds.): The General Law of EC External Relations. London, Sweet & Maxwell, 2000. p. 42-47.

¹⁵ Joined Cases C-181/91 and C-248/91 Parliament v. Council and Commission [1993] ECR I-3685.

¹⁶ Ibid. Summary of the judgment, para. 2.

¹⁷ Ibid. para. 16.

¹⁸ Opinion of Mr. Advocate General Jacobs delivered on 16 December 1992. Joined cases C-181/91 and C-248/91. [1993] ECR I-3685. para. 25.

¹⁹ Eeckhout, p. 108.

²⁰ Case C-316/91 Parliament v. Council. [1994] ECR I-625.

EEC Convention, on the ground that it was not involved in the proceeding. The Court dismissed the claim. The financial provisions of the Lomé Conventions are traditionally implemented by the European Development Fund (EDF). The EDF is always set up for the purposes of each convention by the internal agreement of the Member States. The EDF never formed the part of the Community budget, despite of the pressure by the Commission, the Parliament and also from the Court of Auditors,²¹ and the situation is the same even today. The Court confirmed that the Community's competence in the field of development co-operation was not exclusive, and therefore the Member States were entitled to conclude agreements with third states, collectively, individually, or jointly with the Community. The Court pointed out that in this case, given the bilateral character of the co-operation, the obligation to grant the "*Community's financial assistance*" is on the Community and its Member States jointly. It follows that the competence to implement the Community's financial assistance was shared by the Community and its Member States, and it was for them to choose the source and methods of financing. According to the choice was made for the expenditure to be assumed directly by the Member States and distributed by the EDF, which they had set up by mutual agreement. It means that the aid was financed from the budgets of the Member States, but operates under a financial regulation adopted by the Council, involving Community institutions, yet remaining outside the Community budget.²²

The TEU inserted new provisions on development co-operation, which are explicitly expressed the non-exclusive nature of EC competence. Article 177(1) states: "*Community policy (...) shall be complementary to the policies pursued by the Member States*". Article 177(1) also provides that the development co-operation policy shall foster the sustainable economic and social development of the developing countries and the smooth and gradual integration of them into the world economy. This provision highlights that development co-operation is not limited to questions of economic and social development, but aims to address all the causes of poverty and under-development.²³ Article 179 offers a legal basis for measures adopted by the Council under the co-decision procedure (Article 251 EC). It also provides that such measures may take the form of multi-annual programs (paragraph 1.). The European Investment Bank shall contribute to the implementation of those measures, but this provision does not affect the co-operation with the ACP-countries.²⁴ This provision constitutes the confirmation of the special, association-based framework for EC-ACP relations.²⁵ Article 180(1) requires the Member States and the Community to co-ordinate their policies and to consult each other on their aid programs, including in international organizations and during international conferences. They are free to undertake joint actions, and Member States shall contribute if necessary to the implementation of Community aid programs.²⁶ Article 181 contains the provision on co-

²¹ Opinion of Mr. Advocate General Jacobs delivered on 10 November 1993. Case C-316/91 Parliament v. Council. [1994] ECR I-625. para. 13-14.

²² Eeckhout, p. 109.

²³ Martenczuk, B.: Cooperation with Developing and Other Third Countries: Elements of a Community Foreign Policy. In: Griller, S. and Weidel B. (eds.): External Economic Relations and Foreign Policy in the European Union. Springer, 2002. p. 385-417.

²⁴ Eeckhout, p. 110.

²⁵ Martenczuk, p. 397.

²⁶ Eeckhout, p. 111.

operation with third countries and with international organizations. Such co-operation is to take place within the respective spheres of competence of the Community and of the Member States, and the arrangements for Community co-operation may be the subject of agreements negotiated and concluded in accordance with Article 300 EC. This competence is “*without prejudice to Member States*” competence to negotiate in international bodies and to conclude international agreements²⁷.

The Treaty of Nice inserted into the EC Treaty a further title on “Economic, Financial and Technical Cooperation with Third Countries”. This title is limited to one single provision, Article 181a EC. This article clearly complements the provisions on development co-operation in several ways. It provides a legal basis for concluding co-operation agreements with all non-member States, not only developing countries. There is a well-established practice in this field, as the Community sought to broaden bilateral trade agreements by adding on provisions on economic co-operation. In the absence of an express Treaty provision Article 308 EC had to be relied upon for concluding such agreements.²⁸ The provision confirms the “general objective” of development and consolidation of democracy and the rule of law, and of respect for human rights. It supports the conception that human rights are transversal objective, and underlie the whole sphere of all EU action.²⁹ Article 181a EC also takes care of the problem of limits, it addresses economic, financial and technical co-operation within the Community’s sphere of competence.

3.2. Humanitarian Aid

The EU is the world’s leading aid donor. It provides 55% of international humanitarian aid, 30% of which comes from ECHO and 25% directly from the Member States. The aim of humanitarian aid is to provide help to people in third countries, who have been victims of natural disasters (earthquakes, floods, droughts, hurricanes), or man-made disasters (wars, conflicts, outbreaks of fighting) or structural crises (severe political, economic or social breakdowns). The focus is mainly on providing goods and services (for example food supplies, medicine, vaccinations, water conveyance, psychological support, minesweeping, clothes, shelter, rehabilitation). The aid is also serving preventive goals (planting of trees to counter floods, etc.).

The European Communities have been provided humanitarian aid since the late 1960s. In early 1980s humanitarian assistance was provided on an increased level to more than 30 countries around the world and thus became a key element of the EC’s international policy. After the end of the Cold War in many parts of the world was an increased need for humanitarian action. At that time the Community’s humanitarian aid policy was quite much fragmented. Since the EC wanted to make the mechanism more effective, the Community decided to establish a more systematic approach to humanitarian aid and set up a unitary and coherent decision-making centre to ensure the administration and coordination of humanitarian aid.

²⁷ Ibid.

²⁸ Peers, S.: EC Frameworks of International Relations: Co-operation, Partnership and Association. In: Dashwood, A. and Hillion, C. (eds.): *The General Law of EC External Relations*. London, Sweet & Maxwell, 2000. p. 399-410.

²⁹ Eeckhout, p. 118.

ECHO, the European Community Humanitarian Aid Office was set up on 1 April 1992. ECHO commonly known as the “humanitarian aid office”, finances operations throughout the world, working through a series of partner organisations which implement its humanitarian aid in the field. It has over 200 partners, including United Nations (UN) agencies, the Red Cross family, other international organisations and non-governmental organisations (NGOs). Today ECHO is one of the principal international donors of funds.³⁰ Focusing its efforts on the developing countries, the Office has provided assistance to more than 85 countries since its creation.³¹

It is reasonable overall to regard this experience as a success. The funds that the EU now devote to humanitarian aid are larger than those of the member states and ECHO has extended the EU’s “civilian” external presence globally. No international actor or agency is without defects, but ECHO has been responsive to adapting its processes and procedures to make EU aid more effective, complementary and coordinated. This expanding international role bolsters the communitarian nature of Europe’s development policy and has successfully replaced bilateral action as the more important focus.

4. CONCLUSION

The world is on the border of change: from predominantly rural to mainly urban. In 2008, more than half the world’s people will live in urban areas. By 2030, urban citizens will make up roughly 60 percent of the world’s population. The world’s regions differ greatly in their levels of urbanization. In North America, Europe, and Latin America and the Caribbean, more than 70 percent of the population is already urban; but in Africa and Asia, less than 40 percent of the population is urban. Globally, all future population growth will take place in cities, especially in Asia, Africa, and Latin America.

As it is explained above, developing countries are not in the position to successfully adopt for these changes without external help. In order to achieve sustainable development for our world, it would be crucial to understand that care for the environment, for the health and education of populations are not merely options for the rich world, but are imperatives for developing countries if they are to maintain the momentum of economic growth.

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