Urban Challenges in South-East Asia

Dr. Yap Kioe Sheng

Before his retirement in June 2009, Dr. Yap Kioe Sheng was Chief, Social Protection and Social Justice Section of the Social Development Division at the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) in Bangkok, and also in charge of the Centre for the Alleviation of Poverty through Secondary Crops (CAPSA) in Bogor, Indonesia.

Prior to these posts, he was Chief of the Poverty Reduction Section and of the Human Settlements Section of ESCAP. He joined ESCAP in 2000 after working for 13 years as a faculty member of the Asian Institute of Technology (AIT) in Bangkok where he was a Professor of Housing and Urban Development with a particular interest in urban poverty, low-income housing and urban management. For several years, he headed the Human Settlements Development Programme of AIT. From 1982-1987, Dr. Yap was a staff member of the United Nations Centre for Human Settlements (UN-Habitat) in Nairobi.

As a consultant and as a United Nations staff member, Dr. Yap worked and traveled extensively in Asia and Africa, particularly in Tunisia, Pakistan, Sri Lanka, Cambodia, Thailand and the Lao People's Democratic Republic. He has written several books and numerous articles on low-income housing and urban development. He is currently an Honorary Professor of Housing at the City and Regional Planning Department, Cardiff University, in Wales.

Acknowledgement

This paper is based on a more detailed work by the author, "The Challenges of Promoting Productive, Inclusive and Sustainable Cities Urbanization in South-East Asia" (2010), prepared for the ASEAN Studies Centre and the Centre for Liveable Cities, both in Singapore.

The author wishes to gratefully acknowledge comments and suggestions by Prof. Amitabh Kundu, Dr. Edsel Sajor, Dr. Bai Xue-Mei and the staff of the Sustainable Urban Development Section of ESCAP in response to an earlier version of the paper.

Disclaimer

The opinions, figures and estimates set forth in this paper are the responsibility of the author, and should not necessarily be considered as reflecting the views or carrying the endorsement of the United Nations. The designations employed and the presentation of the material in this publication do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area, or its authorities, or concerning the delimitation of its frontiers or boundaries. Mention of firm names and commercial products does not imply the endorsement of the United Nations. This paper has been issued without formal editing.

1. Introduction

South-East Asia is considered a distinct subregion of Asia, but there is a wide diversity within the region. It includes a very populous country (Indonesia) and a country with a small population (Brunei Darussalam), an economically highly developed country (Singapore) and least developed countries (Cambodia, the Lao People's Democratic Republic and Myanmar). What binds the countries of South-East Asia from the perspective of this paper is that all countries (a) experience urbanization with economic growth and (b) are part of a subregional framework, the Association of South-East Asian Nations (ASEAN).

Urbanization with economic growth means that the countries have the financial resources to introduce inclusive policies whereby the benefits of economic growth are shared among the urban and rural population to achieve broad-based development, even though its imbalances and inequalities may result from its economic policies. Moreover, continued growth is not guaranteed, as the economies must remain competitive in a global economy. This requires constant improvements in productivity or fall into the (lower)-middle income trap.

Finally, the subregion cannot base its economic growth on the continued use of limited natural resources, in particular fossil fuels, and it cannot ignore the negative impact of its economic growth on the global environment. It has to absorb the environmental costs of its development. This is all the more acute as the subregion is very vulnerable to the effects of climate change, due to the long coast lines in the region with large urban and peri-urban populations. It will need to introduce climate-change mitigation policies and strategies to adapt to the impact of climate change.

If sustained economic growth is necessary to ensure inclusive and sustainable development, South-East Asia will need to innovate and develop policies that combine economic growth with poverty reduction and environmental protection. Here, cities and towns must play a key role, as they are simultaneously engines of economic growth, major sources of pollution and centres of learning, creativity and innovation. ASEAN should provide an institutional framework for regional cooperation by urban researchers, practitioners and policy-makers to design, to advocate and to realize an inclusive and sustainable urbanization of the region.

2. Urbanization patterns

South-East Asia is steadily urbanizing. In 1950, only 15.5 per cent of its population lived in urban areas. In 2010, it was 41.8 per cent (or about 250 million people) and it is expected to have increased to 50 per cent by 2025. Urbanization and economic development often mutually reinforce each other, and the most urbanized countries are generally also the most economically developed. That is also the case in South-East Asia, although official statistics may show a different picture.

	Urban as % of total population		Urban as % of total population
Singapore	100.0	Myanmar	33.6
Brunei	75.7	Lao PDR	33.2
Malaysia	72.2	Viet Nam	30.4
Philippines	48.9	Timor-Leste	28.1
Indonesia	44.3	Cambodia	20.1
Thailand	34.0	South-East Asia	41.8

Table 1: Urbanization Levels of Countries in South-East Asia in 2010. Source: UN Population Division 2010.

Official statistics do not fully reflect the urban reality. Definitions of 'urban' differ from one country to another and thus are not always comparable; and political motives rather than actual conditions may determine when a settlement is actually declared 'urban'. According to United Nations statistics, Manila is South-East Asia's only mega-city (i.e. a city with a total population of more than ten million), but if the peri-urban population is included, some cities have much larger populations. Jones (2008, p. 42) estimated that the population of the mega-urban regions of Bangkok, Jakarta and Manila is twice the official figures. Many urban areas in South-East Asia are also

destinations of large numbers of temporary migrants who may or may not be included in the population counts.

The attention on mega-cities hides the fact that a majority of the urban population in South-East Asia lives in smaller cities and towns. Only 13.8 per cent lives in cities with more than five million inhabitants, while 67 per cent of South-East Asia's urban population (165 million people) lives in urban settlements with less than 500,000 inhabitants (UN Population Division 2010). Smaller cities and towns do not receive the attention they deserve as places of residence for the majority of the urban population. Urban infrastructure and services in smaller cities and towns are often poorly developed, and local governments lack the resources for good urban management. Decentralization has burdened them with increasing responsibilities and the population placed under their jurisdiction becomes more and more vocal and demanding.

	Population of municipality (millions)	Population of mega-urban region (millions)
Bangkok	6.332	10.419
Ho Chi Minh City	4.336	5.037
Jakarta	8.390	21.190
Manila	9.958	21.613

Table 2: Population of Major Cities in South-East Asia in 2000 (millions). Source: Jones 2008, p. 52; UN Population Division 2010.

Mega-cities look overwhelming, but also show that economies of agglomeration and scale can generate rapid economic growth. Across the subregion, large urban areas are the engines of national economic growth. Rapid urbanization has long been condemned, but it is now increasingly seen as a source of development. The Asian Development Bank (ADB) is promoting city-clusters by financing urban infrastructure to link cities and towns within a region to improve their economic development potential (Choe and Laquian 2008). Some clusters are dominated by a single mega-city like Bangkok, Manila and Jakarta, but others are 'urban corridors' that connect large cities and smaller cities and towns in between.

Most city-clusters are within a single country, but new clusters are developing across borders, as ASEAN is promoting economic cooperation by its members through improving trade and transport facilitation. They exploit the complementariness of labour, capital and space – the geographically contiguous areas in different countries – to gain a competitive edge in the global economy. Besides benefiting the private sector, they support the growth and development of secondary cities and towns in a country's interior, that have been bypassed by development until now. They, thereby, contribute to a more balanced economic growth and spread of the urban population (Thant, forthcoming).

An established cluster is the Singapore-Johor-Riau growth triangle, based on cooperation agreements between the three countries – Indonesia, Malaysia and Singapore. Now, the ADB is promoting urban corridors linking southern China with ports in South-East Asia, including linking Myanmar with Viet Nam. Some cross border developments occur in a spontaneous way. The Thai-owned garment and fish and seafood processing factories near the Myanmar and Thailand border, employ cheap (and often illegal) labour from Myanmar; the casinos along the border of Cambodia cater for Thai customers. However, they prompt development without planning and management (e.g. in Poipet in Cambodia), and local governments often lack the capacity to deal with cross-border urban issues, like temporary migration, working conditions and environmental degradation.

Urbanization is not just a matter of percentages of people living in urban areas or of settlements declared 'urban'. The high concentration of people, economic activities and services in a relatively small area has a profound impact on urban society and economy. Urban economies of scale and agglomeration lead to better access to services, greater prosperity and changes in lifestyle, but rapid urbanization also leads to increased slums and squatter settlements, social alienation and environmental pollution. The positive and negative impact of urbanization is not distributed equally among the urban population; the rich and powerful draw more benefits from the positive effects and are better protected against adverse effects than the poor and marginalized.

Who benefits and who doesn't is not always clear. National agencies that collect data on population, economic activities and the environment have not adjusted their data collection, analysis and presentation to the needs

of local governments, and local governments lack the capacity to collect and analyse urban data. There is a serious lack of data on intra-urban disparities, i.e. disparities within and between cities and towns. Most data are aggregated at national or urban level, while the design of effective urban policies requires disaggregated, localized data that show disparities between different urban population groups.

Issue 1:

As urbanization progresses, the availability of reliable data and information on emerging and persistent urban problems in large cities as well as secondary cities and towns will be critical for policy-makers to formulate effective urban policies. The availability depends on the systematic collection and analysis of data and their presentation in a way that recognizes urban, peri-urban and intra-urban dynamics and new forms of urban development.

Urbanization has led to a decline in the rate of natural population growth, as many women in urban South-East Asia participate in the labour force outside their home and chose to have fewer children. Fertility rates decline and the total fertility rate in many cities of the subregion is now at or below the replacement level of 2.1. Low fertility and high life expectancy are leading to an ageing of the population and this will have some serious social and economic consequences: a shrinking labour force and a dependency on less workers, increased costs of health care and the need for changes in the way houses, cities and towns are designed.

Changes in the urban way of life may lead to a redistribution of responsibilities between the family, the community and the State. A lack of parental supervision is resulting in an increase in youth violence in Viet Nam (AsiaOne 2011). If the family and the community are unavailable to look after vulnerable members, civil society may have to fill the gaps or there may be more pressure on the State to perform social functions. Schools have a larger role in educating children, while the media and the "street" often also play their part – not always positively. If the family or community can no longer look after the elderly, pension schemes and homes for the elderly gain in importance to provide an acceptable quality of life for the older generation.

Similarly significant is the rise of the urban middle class. Its members are educated, have stable employment as professionals in the formal sector and have income to spend beyond their basic necessities. Stability of income, employment and home ownership give the middle class a strong stake in society, while its consumerism is a significant driver of the urban economy. Education and information make the middle class aware of the environmental issues and some adapt their behaviour, but its political influence also makes it difficult to adopt policies that constrain some forms of private consumption (e.g. private vehicle use).

Universal education and ICT are making ever larger sections of the population, including the poor, aware of how 'the other half' lives and how people's power can change the status quo. Television, and now the social media, highlighted these events in the Philippines, Indonesia, Thailand, and now the Middle East. What people see is affecting their voting behaviour, but also their preparedness for extra-parliamentary action. "Countries realize that inequality is contributing to social tensions and lost opportunities", according to the World Bank (Reuters 2011).

Changes brought about by urbanization are not confined to urban areas, but spread to rural areas, made possible by the increased mobility of the population and the penetration of education and the media into the rural areas. Migrants take 'social remittances' (ideas, behaviour patterns, identities, attitudes, skills and practices) back to their rural family. Learning the importance of education, they send money home for the schooling of other children. As rural populations adopt urban norms, values and way of life, urbanization as a social process spreads, covering ever wider areas.

Issue 2:

Urbanization leads to significant demographic, socio-cultural, environmental and political changes in urban and rural societies, and these affect the relationship between the family, the community, civil society and the State. Innovative policies will be needed to address social issues emerging as a result of urbanization.

3. Economic growth, poverty reduction and the environment

Rapid urbanization often leads to serious disparities in society and imbalances in the economy. The urban population may grow faster than the urban economy can absorb; or the urban economy may grow, but does not significantly reduce urban poverty. As the economy grows and poverty is reduced, the urban environment tends to deteriorate, but local governments often lack the urban management capacity to make urban areas function efficiently and protect the environment. Some argue that imbalances are unavoidable and only temporary, because of the need to prioritize the use of scarce resources. Kuznets hypothesized that income inequality in developing countries will initially increase, but later decline. Others hypothesized that economic growth will pollute initially, but that pollution will decline as the economy continues to grow.

Many doubt that these transitions will occur as a matter of fact. They are more likely to depend on political decision-making. It is also becoming clear that if the transitions occur as part of longer-term developments, waiting for them to occur may not be a politically acceptable option. Inequality in income, access and opportunity and power and participation will only be tolerated for a time, and environmental degradation will soon be irreversible (if it is not already). It forces governments in the subregion to address some serious challenges: to bring about, almost simultaneously, economic growth in a global economy, poverty reduction in terms of income and employment, access to housing, infrastructure and services, and the protection of the local environment, while mitigating and adapting to climate change.

a. Urban economy

Many cities in the subregion function as the engine rooms of national economic growth. A ranking of the richest 151 cities in the world by GDP (Hawksworth et al. 2009) includes Singapore ($215 billion), Metro Manila ($149 billion), Bangkok ($119 billion), Jakarta ($92 billion) and others, but not all urban areas in South-East Asia experience economic growth. Some are better located, better equipped and/or better managed than others. Because the region's economic growth has been based on export-oriented industrialization and tourism as part of economic globalization, cities with air and sea ports and along trade routes, have had a clear advantage.

The global economy is constantly changing. China and India have emerged as economic giants, and other countries are also developing economically. South-East Asian cities and towns have to react to these changing circumstances, as growth is needed to generate employment, finance new infrastructure, reduce poverty and improve the quality of life. Some have to sustain economic growth; others have to initiate economic growth. In the global economy, they must compete for investment. Initially, South-East Asia used the low costs of labour and other factors of production to attract foreign investors. Today, it sees labour costs rising, while China and India offer not only a low-cost and highly skilled labour force, but also a sophisticated technology base.

This forces cities and towns in South-East Asia to attract higher value-added manufacturing and services or risk falling into the "middle-income trap"[10]. In the global economy, competitiveness depends increasingly on an ability to generate knowledge and to innovate, and therefore on the quality of education and an environment that values innovation and creativity. The presence of universities and research centres, the protection of intellectual property rights and the availability of banking, accounting and legal services contribute to a city or town's attractiveness. Cities try to become 'world-class' cities and attract mega-events, conventions and exhibitions.

In a knowledge-economy, highly skilled workers define the comparative advantage of a firm and if a city cannot rely on locally available workers only, it will try to attract the best and the brightest from elsewhere. Singapore has an active policy of attracting young and highly educated and skilled workers to meet its need to compete in the global economy and compensate for its ageing population. Other cities in South-East Asia may have to adopt similar policies to ensure that they can deliver the human resources to compete. Such workers are, however, relatively transitory or footloose; they can work anywhere in the world and are attracted by the 'quality of place' (OECD 2005, p. 5). Thus, cities have to be attractive places for expatriates to live.

10 Countries in the middle income trap are unable to compete with low-income, low-wage economies in manufacturing exports, but also unable to compete with advanced economies in high-skill innovations. They cannot make a timely transition from resource-driven growth with low-cost labour and capital to productivity-driven growth (ADB 2011, p. 34).

However, creating attractive places to live for expatriates is not the same as creating a better quality of life for the urban population as a whole. There are questions about whether becoming a world-class city benefits the entire population or only a select few; whether demolishing neighbourhoods and housing to beautify the city for mega-events, conventions and exhibitions is really in the interests of the population as a whole; and whether cities do not have problems (like the lack of affordable housing and basic infrastructure) that should have a higher priority than achieving world-class status. Market-driven, unregulated urban development may result in growing disparities between rich and poor. The better educated will benefit from economic growth, while the poor remain trapped in the low-productivity, low-income informal sector.

Studies show that economic development in South-East Asia is not very employment-intensive. The causes are not clear, but there may be a loss of competitiveness in labour-intensive exports and a rise of opportunities for low labour-intensive activities. Almost 75 per cent of the added employment involves own-account workers or contributing family workers. This could indicate that employment is growing mainly in the urban informal sector which is very dominant in South-East Asia, and also closely integrated with the formal sector. It is a convenient and low-cost supplier of goods and services keeping wages low and prolonging the economy's competitiveness.

The informal economy is expected to remain extensive in South-East Asia, accounting for 60 per cent of ASEAN's total employment by 2015. It provides employment and income, but it is also responsible for some of the worst forms of exploitation and inhuman working conditions. The answer is not to suppress the informal sector, but to gradually accommodate it into the formal economy through interventions like micro-finance, access to information and training, resulting in better working conditions and higher productivity, while preserving its viability. The larger challenge is to prepare the population to work in higher-quality manufacturing and services.

b. Urban poverty and inequality

Rapid urbanization may transfer poverty from rural to urban areas -- the urbanization of poverty. A recent study found that the extent of urbanization of poverty differs from region to region. The region covering Cambodia, Indonesia, the Lao People's Democratic Republic, Mongolia, Philippines, Thailand and Viet Nam had the least urbanization of income poverty. Over 33 million people escaped poverty during 1993-2002: 28 million in the rural and 5.5 million in the urban areas. Rural poverty declined by 36.4 per cent; urban poverty declined by 30.8 per cent (Ravallion, Chen and Sangraula 2007). Urban income poverty may not be increasing, but income inequality is a major issue. The little information that is available shows Gini Coefficients for South-East Asia's urban areas to be above 0.40.

Poverty and inequality refer not only to income. The urban poor also lack access to basic services (water, sanitation, housing, education and health care) and lack the power to influence decision-making. Their lack of access to basic services seriously affects their capacity to participate in social and economic life, to seize opportunities that emerge as a result of economic growth and development, and to achieve levels of productivity that provide an adequate income.

	Year	Gini Coefficient
Bangkok	2006	0.48
Hanoi	2002	0.39
Ho Chi Minh City	2002	0.53
Jakarta	2002	0.32
Manila	2003	0.41
Phnom Penh	2004	0.36
Urban Thailand	2000	0.463
Urban Indonesia	2004	0.44

Table 3: Gini Coefficient for Income Inequality in Selected Cities of South-East Asia. Source: individual cities: UN-Habitat 2008, pp. 74-75; Urban Thailand: Healy and Jitsuchon 2007, p. 739; Urban Indonesia: Suryadarma et al. 2006, p. 16.

Most urban residents in South-East Asia have access to improved water sources, ranging from household connections to public standpipes, but that does not say much about the quantity or quality of water. Water may be supplied intermittently and be contaminated, due to waste entering the pipes. Water may be stored in unsanitary conditions. If water is supplied through standpipes, household members, particularly women and girls, may have to queue for hours to fetch the water, taking them away from more productive activities like work and education.

Economic growth has contributed to improved urban housing conditions across the subregion. The combination of higher incomes, the emergence of private developers and improvements in the housing finance sector have increased an effective demand for and the supply of middle and lower-middle income housing. However, many urban poor (and not so poor) still have to rent housing in dilapidated buildings or occupy public or private land where they rent, build or buy a house that lacks proper permits and authorization. Governments have addressed the urban housing problem with various degrees of success. Singapore has been the most successful, but its approach is hard to replicate because of Singapore's unique circumstances.

	Slum population (x1000)	Urban population (x1000)	Percentage of urban population living in slums
Cambodia	2,309	2,926	78.9
Indonesia	28,159	107,068	26.3
Lao PDR	969	1,222	79.3
Myanmar	7,062	15,487	45.6
Philippines	22,768	52,101	43.7
Thailand	2,061	7,927	26.0
Viet Nam	9,192	22,257	41.3
South-East Asia*	72,520	208,988	34.7

*Table 4: Slum Populations in South-East Asia (2005). * Excluding Brunei, Malaysia, Singapore and Timor-Leste. Source: UN-Habitat 2010.*

Some governments have initiated programmes to improve the living conditions of the urban poor in informal settlements. The community-driven programmes support the development of savings groups into community-based organizations to secure land tenure, provide basic infrastructure and/or improve housing conditions. Examples are the Community Mortgage Programme in the Philippines, the Kampung Improvement Programme in Indonesia and the Baan Mankong Programme in Thailand.

c. Urban environment

Rapid urbanization and economic growth have resulted in widespread environmental degradation in urban areas of South-East Asia, such as extensive water pollution:

- Piped sewer systems reach only a small percentage of the urban population of the Philippines; 15 per cent of the population of Manila has a sewer connection. 192,000 tons of domestic waste enters the drains and groundwater yearly with minor treatment in unmaintained septic tanks (World Bank 2007, p. 19).
- Rivers in Viet Nam's major cities are seriously polluted by untreated industrial wastewater. Lakes, streams and canals serve as sinks for domestic sewage and municipal and industrial wastes (World Bank 2003a, pp. 22-23).
- In the Lao People's Democratic Republic, pollutants from roads, commercial and industrial areas and private properties wash into drains and watercourses, which act as secondary sewers carrying industrial discharges, septic tank seepage and overflows in wet weather (World Bank 2005b, pp. 33-34).
- Indonesia's rate of sewerage and sanitation coverage is very low. Industry expanded without regard to the environment, resulting in serious environmental degradation. Domestic sewage, industrial effluents, agricultural runoff and solid waste are polluting surface and groundwater (World Bank 2003b, p. 20-21).

Increasing prosperity has led to a rapid growth in the generation of solid waste. Local governments face huge problems disposing of the waste in urban areas. In poorer countries, informal-sector street collectors separate waste for recycling and reuse. When the urban population prospers and waste increases, households pay collectors to remove the recyclables. Some cities and towns have a well-developed recycling industry in the formal or informal sector, but the industry tends to focus only on the most profitable materials amongst the waste.

Solid waste generated per capita per day			
Brunei	1.4 kg	Myanmar	n.a.
Cambodia	n.a.	Philippines	0.50 kg
Indonesia	n.a.	Singapore	1.86 kg
Lao PDR	0.75 kg	Thailand	1.0 kg
Malaysia	0.68 kg	Viet Nam	0.61 kg

Table 5: Municipal Solid Waste Generated (kg/capita/day) in 2001. Source: ASEAN 2006, p. 70.

Common disposal methods for solid waste in South-East Asia are open dumping and landfill, but it becomes more and more difficult for an urban local government to find a suitable site within municipal boundaries. Decentralization gives local governments more power, and situating a dump or landfill site in a neighbouring municipality often becomes completely out of the question. Incineration (which has its own adverse environmental impact) is often mentioned as a better disposal method, but because much of the waste in South-East Asia consists of organic matter with a high moisture content, high temperatures are required, which makes incineration costly.

South-East Asia also affects the global environment. It contributed 12 per cent (5,187 MtCO2-eq) of the global greenhouse gas emissions in 2000, mainly from the decline in biomass stocks of forestland – the result of deforestation. The energy sector has become the second largest contributor. Of the greenhouse gas emissions, 59 per cent came from Indonesia, six per cent from Thailand, four per cent from the Philippines, two per cent from Viet Nam and one per cent from Singapore. Per capita emissions from South-East Asia are higher than the global average, but still low compared to developed countries (ADB 2009, pp. 5, 125-126).

	1990	1995	2000
Energy	432.6	635.5	971.8
Industrial Process	25.4	46.4	50.8
Agriculture	336.7	369.3	407.0
Land Use Change and Forestry	3,232.4	3,832.2	3,861.0
Waste	64.1	70.5	76.6
Total	4,091.2	4,944.9	5,187.2

Table 6: GHG Emissions in South-East Asia (MtCO$_2$-eq.) 1990-2000. Source: ADB 2009, p. 125.

Climate change will pose serious challenges in the twenty-first century. South-East Asia has a 173,251 km coastline and high concentrations of population and economic activity in coastal areas. They will be exposed to the rise in sea levels, river flooding and volatile weather conditions. The urban low-elevation coastal zone (LECZ: a contiguous land area up to a hundred kilometers from the coast that is ten metres or below in elevation) covers 29.4 per cent of the total urban land area. The urban population in the zone represents 12.3 per cent of the total population and 36 per cent of the total urban population (CIESIN 2006).

A sea level rise of 59 cm could result in the loss of mangroves, coastal erosion and land loss for Singapore. Sea level rise and land subsidence due to overexploitation of ground water will move the coastline in Indonesia inland: annual sea level rises of 0.25, 0.57 or 1.00 cm will affect 40, 45 or 90 km^2 respectively of North Jakarta in 2050. A 30-cm sea level rise in the Philippines by 2045 could affect 2,000 hectares of land and 500,000 people; a 100 cm rise by 2080 will inundate 5,000 hectares of the Manila Bay area and affect 2.5 million people. Increasing coastal erosion is expected in Thailand, and settlements along rivers and coasts will be at risk from sea level rise and coastal storm surges. In Viet Nam, a sea level rise of 100 cm may lead to flooding of 5,000 km^2 of the Red River Delta and 15,000–20,000 km^2 of the Mekong Delta (ADB 2009, pp. 49-51).

	Population in 2000 (x1000)			Land area in 1995 (km^2)		
	Total	Urban	Urban in LECZ	Total	Urban	Urban in LECZ
Brunei	328	222	25	5,901	1,117	256
Cambodia	13,082	1,886	288	179,505	672	136
Indonesia	212,068	81,367	22,705	3,213,908	32,398	8,174
Lao PDR	5,278	892	0	230,230	1,134	0
Myanmar	47,749	12,452	4,509	669,310	4,698	1,084
Malaysia	22,172	13,902	3,684	329,945	14,090	3,774
Philippines	75,290	24,866	6,807	295,408	8,596	1,872
Singapore	4,018	3,926	550	597	543	62
Thailand	62,610	20,787	12,472	516,922	27,525	9,191
Timor-Leste	737	33	1	14,789	134	7
Viet Nam	78,136	17,406	12,863	328,535	5,959	3,872
South-East Asia	521,468	177,739	63,904	5,785,050	96,866	28,428

Table 7. Urban Population at Risk from Sea Level Rise (1995, 2000). Note that the data used in this table may differ from the official data. Source: CIESIN 2006; McGranahan, Balk and Anderson 2006, p. 23.

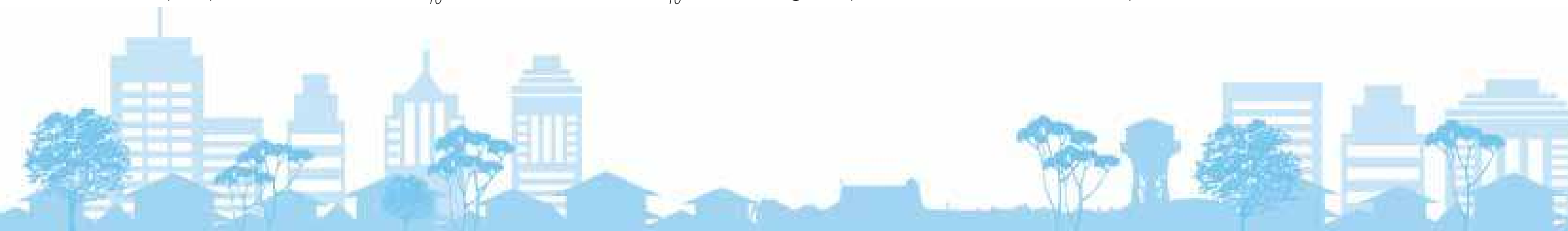
The main threats to the urban population and the physical assets of developing cities are sea level rise, tropical cyclones, flooding and landslides due to excessive rainfall, low water quality and water shortages, and heat and cold waves (Bigio 2002, p. 3). In addition, there are indirect threats on health due to the urban heat island effect etc. The urban poor will be most affected, as they live in the most vulnerable locations (low-lying flood-prone areas, marshlands, steep slopes) and lack the resources to protect themselves. An indirect but hard to quantify impact of climate change are eco-refugees, who will seek refuge in urban areas due to droughts, floods or erosion.

d. Coping with environmental problems

Bai and Imura (2000) studied the urban environment in China, Japan and Korea, and developed a stage model of urban environmental evolution. They distinguished three types of environmental problems: poverty-related (e.g. lack of adequate water supply, sanitation); industrial production-related (e.g. air, soil and water pollution); lifestyle and consumption-related (e.g. greenhouse gas emissions). They see the three types of problems occurring at different stages of urban development, each with its trajectory: poverty-related problems improve as the economy develops and income grows; most production-related problems initially worsen but later improve with rising income; consumption-related problems worsen (or at least do not improve), as incomes grow.

	1990	1995	2000	2006
Brunei	28.0	42.0	54.0	46.0
Cambodia	116.0	66.0	70.0	62.0
Indonesia	138.0	115.0	120.0	96.0
Lao PDR	73.0	48.0	51.0	47.0
Malaysia	37.0	32.0	27.0	25.0
Myanmar	116.0	91.0	76.0	63.0
Philippines	55.0	58.0	48.0	26.0
Singapore	106.0	53.0	44.0	40.0
Thailand	88.0	85.0	79.0	77.0
Viet Nam	124.0	78.0	70.0	61.0
South-East Asia	103.7	86.6	84.4	67.4

Table 8: Concentration of PM_{10} in Urban Areas (micrograms/m^3)(1990-2006). Particulate matter (PM) is the term for fine solid or liquid particles in the air. PM_{10} is The standard for PM_{10} is 50 microgram per m^3. Source: ESCAP 2008, p. 191.



Marcotullio (2001) and McGranahan (2007) pointed out that these transitions do not occur through natural economic behaviour, but depend on policy interventions. This implies that they require political pressure on politicians. Poverty-related problems have only a local impact (mainly on the poor), but the poor lack the power to influence decision-making. Industrial production-related problems have a greater impact and are also felt by the urban middle-class who can, and will, put pressure on politicians to intervene. Prosperity-related problems are global and long-term; they are initially not felt by anyone and therefore hardly result in pressure to take action.

Thus, different types of environmental problems often occur simultaneously in the cities and towns of South-East Asia, as environmental inequalities reflect inequalities in income and political power. The urban poor live in extreme poverty under harsh environmental conditions and are excluded from the benefits of urban development, despite rapid economic growth. Elsewhere, the old and new rich live a life of conspicuous consumption inside gated communities and benefit from privatized urban services.

Industrial production-related problems decline over time, because the rich and middle class will put pressure on government to issue environmental regulations and move polluting industries to small towns and rural areas, where environmental regulations are lacking or unenforced and the population is not powerful enough to demand change. In Map Ta Put (Thailand), this placed local residents against powerful national and international industrial interests.

It is generally argued in South-East Asia (and elsewhere) that the developed countries have the primary responsibility to reduce emissions because they have contributed, and are contributing, the largest share. However, as prosperity grows, the urban middle class in South-East Asia has to face up to the fundamental question: whether its consumerism, the economic growth that drives it and eventually growth-based capitalism are compatible with global environment protection (Savage, forthcoming).

The capacity of cities and towns to tackle the range of environmental problems and introduce mitigation and adaptation policies will depend on the availability of human and financial resources, technology, specialized institutions, access to information and legal, socio-political and organizational arrangements. Institutional aspects of climate change adaptation and management can be just as challenging, if not more, than the financial ones. Private investments will have to come into play, but the public sector has to assume overall responsibility for adaptation plans and managing such a transition (Bigio 2002, pp. 6-7).

Issue 3:

The conventional view is that economic growth, poverty reduction and protection of the environment are interrelated and will reinforce each other. However, it is likely (a) that the sustainability of economic growth in South-East Asian cities is not guaranteed, given the fierce competition in the current global economy, (b) that economic growth on its own will not lead to poverty reduction, unless serious efforts are made to enhance the capabilities of the poor to seize emerging opportunities, and (c) that economic growth and broad-based prosperity will further damage the environment, unless they are decoupled from the use of natural resources and the impact on the environment. Local government, the private sector and civil society in South-East Asia must rethink their growth and development models in anticipation of the significant climate changes that will affect the subregion.

4. Strengthening local government

The growing population and the developing economy are placing an enormous stress on urban infrastructure and services. Traffic congestion, environmental degradation and slums and squatter settlements are evidence that cities like Bangkok, Jakarta, Manila and Ho Chi Minh City, as well as many secondary cities and towns, have not managed to stay ahead of the increasing demand for infrastructure and services.

Urban areas in South-East Asia need roads, water and power supply, railway lines, ports and airports to promote economic growth; they need to expand water supply and sanitation, education and health facilities to reduce

poverty and increase productivity; they need mass transit systems and improved solid waste management to improve the urban environment. Competitive cities need 'soft' infrastructure and services, including universities and research centres, medical facilities, a reliable banking sector, technological readiness and business sophistication. As the effects of climate change grow, urban areas will need to adapt to environmental changes.

The investment needs are immense, running into billions of dollars and prioritizing this will be difficult, especially as not all stakeholders have equal access to decision-making. Developing infrastructure and services requires not only investment, but also long-term planning and institutional changes. These are difficult to achieve, if they affect the distribution of power between national and local government and between the public and private sector. Local governments need the powers to manage urban areas more effectively and efficiently, and to mobilize funds for development, but national governments in South-East Asia have generally relied on centralized forms of decision-making.

a. Decentralization

Recent moves towards decentralization in Cambodia, Indonesia, the Lao People's Democratic Republic, the Philippines, Thailand and Viet Nam may have been motivated by a willingness to bring decision-making closer to the people, by a recognition that the local needs and conditions have to be included in decision-making, or by a realization of the central government's inability to meet the growing demand by the urban population for better functioning cities and towns. Whatever the reasons, powers have been devolved to local governments across the region, but sometimes with disappointing results.

Many factors determine the success of decentralization. The national government must be committed to sharing of power in a consistent and transparent manner. Local government needs legal powers, institutional capacity, human and financial resources and the political willingness to assume its new responsibilities. It must be committed to enforce laws, rules and regulations and to adhere to principles of good urban governance. Civil society must have the capacity and willingness to monitor the performance of local government and its partners, and to put pressure on local government, if it fails to meet expectations.

It is difficult to measure all the positive effects of local decision-making, but it is clear that national governments in South-East Asia have not pursued decentralization wholeheartedly (Brillantes and Flores, forthcoming). There are substantial differences between de jure and de facto decentralization; policies often change; and there are frequent attempts by national government to re-centralize decision-making. National governments tend to blame problems with decentralization on a lack of capacity of local actors, although policy incoherence appears to be another major problem.

Decentralization in the Philippines was introduced in a rather compartmentalized way, lacking coherence between different parts of the institutional framework. In Indonesia, inconsistencies in the enabling legislation led to uncertainty and conflicts between different levels of government about their roles and responsibilities. Similar problems arose in Thailand after decentralization was included in the 1997 Constitution, and in Viet Nam following public administration reforms. Often, local government is assigned new tasks, but lacks the resources to undertake these tasks, as they remain dependent on the national government for their budgets.

Decentralization is expected to improve transparency and accountability, but the benefits of decentralization are often captured by local elites, the rich and powerful, while the poor and other disadvantaged groups are no better off.

- In Indonesia, powerful groups captured the process which led to the rise of local patronage networks. The media are also less inclined to expose an abuse of power in a small town or village than the same abuse in the capital.
- In Thailand, local and provincial government officials (still appointed by central government) kept control over decision-making by elected councils, and local businessmen played a dominant role in the planning of infrastructure works.

The combination of decentralization and urbanization generates its own problems. Decentralization fragments an integrated urban system, as urbanization leads to ever larger urban areas, while decentralization leads to the

devolution of decision-making powers to ever smaller areas. A metropolitan region covers several administrative entities with different functions: some mainly residential, others primarily commercial or industrial. Investment may be needed in one part, but taxes are collected in another. Decentralization generates self-centredness among local governments and weakens coordination and cooperation between different parts of government.

There may be a need to establish an additional layer of government at the regional level, but the idea would face strong opposition from the cities and towns concerned, and possibly also from the national government, as all of them would lose power. In the name of decentralization, national governments are more inclined to break up a large city into smaller municipalities to reduce its power, as they fear the emergence of strong local government. There is no simple governance model for metropolitan regions (OECD 2006, p. 190).

The problems resulting from decentralization should not be used as an excuse to re-centralize power. Decentralization is necessary to give the population a greater role in decision-making and to ensure that public service delivery matches local needs and conditions. Making it work requires time and patience and a transition period with flexible arrangements. Inconsistencies in the regulatory framework must be removed and some decision-making may be moved to a higher level of government. Capacity development of local governments is a critical part of any decentralization effort.

b. Privatization

Economic growth in South-East Asia has led to the emergence of an urban middle-class with considerable economic and political power. Education, increased mobility, better access to information and a heightened political awareness have made the middle class very vocal. Its demand for quality public services is supported by a capacity and willingness to pay. If middle-class households conclude that the public sector cannot deliver, they will turn to the private sector for services. This fits neatly with the global shift towards economic liberalization and privatization.

Today, the private sector fills gaps left by government to meet the demand for public services. Middle-class families live in privately developed gated communities, guarded by private security firms rather than the police. They drink bottled water rather than tap water, drive on privately-operated toll-roads rather than congested public roads, and enjoy a day at the private golf course rather than in a poorly maintained public park. They shop at malls, cleaned and protected by private firms, rather than in dirty streets where they may be mugged by criminals and disturbed by beggars. In this situation, why would they pay taxes to the government?

Local government is left with limited resources to protect and maintain public space, tackle problems of crime and pollution, and meet the needs of the urban poor. Political pressure to improve water supply, to clean roads, to ensure public safety, and to build more parks is reduced, because those in the best position to exert political pressure have already been looked after by the private sector.

At the other end of the urban socio-economic spectrum, the informal private sector develops its own urban areas, because the local government ignores their needs and demands. With many people living in informal settlements and working in the informal enterprises, the impact of the informal sector on urban development is substantial. It has forced local governments to accommodate, to some extent, the informal sector. Closure of streets for food stalls during the evening is common in Thailand, Malaysia and Singapore. The authorities in Bangkok now recognized motorcycle-taxis, as they provide public transport where other forms of transport are unfeasible.

Privatization and public-private partnerships are often introduced with the argument that the public sector is unable to deliver services efficiently due to its bureaucratic nature, and that privatization fosters competition and gives consumers more choices. Public-private partnerships are presented as the best of both worlds, but experience shows that there are advantages and disadvantages. When it participates in a large infrastructure development project, the private sector demands a say in its design to ensure that it can make sufficient profit. That is not a problem; the problem is that many local governments lack the capacity (or the political willingness) to negotiate an outcome that is in the best public interest, while ensuring profitability for the private partner.

The two largest water concessions with public-private partnership were signed in 1997. In Manila, two concessions were awarded: the Western one covered seven million residents; the Eastern one covered four million residents. As a result, access to piped water in Manila increased significantly between 1997 and 2006: from 67 to 86 per cent in the Western concession and from 49 to 94 per cent in the Eastern concession. In Jakarta, the two concessionaires added 210,000 water connections to the system between 1998 and 2005, providing access for an additional 1.7 million people. Access increased from 32 to 50 per cent in the Western zone, and from 57 to 67 per cent in the Eastern zone (Pongsiri, forthcoming).

However, the concessions never recovered from the financial and political turmoil brought about by the Asian financial crisis. In Manila, one of the two concessionaires declared bankruptcy after its foreign debt doubled in value because of currency depreciation. In Jakarta, a 25-year contract was suspended in 2006 due to a similar problem (Perez-Ludena 2009, p. 8). The tollways in Bangkok are another example of less than successful public-private partnerships, as the development of new public roads undermined the profitability of the privately run tollways.

Many public-private partnerships lack transparency and accountability to ensure that the government brokered the best deal for the general public. Decisions are often taken behind closed doors and ordinary citizens do not have proper access to the process. Links between private companies, senior government officials and politicians make the result even more questionable. Privatized urban development by both the formal and the informal sector raises the question "who decides on urban development?"

Due to economic globalization and an increasing reliance on market mechanisms, the number of decision-makers that determine urban public affairs has become very large. Decisions that have an effect on urban development are now taken by private companies and civil society organizations at local, national and global level. Eventually, it is the market rather than the population that decides how urban areas develop, what they should look like, and who benefits from the development.

Issue 4:

Through decentralization, local government in South-East Asia has assumed more responsibilities and more power to shape urban development. Privatization of urban services has enabled them to focus on steering urban development, leaving the private sector "to do the rowing". However, many local governments lack the capacity to negotiate the best possible deal with the private company for the delivery of public services and the development of urban areas. The profitability of the partnership for the private partner has become more important than the public interest; transparency and accountability are highly inadequate. However, due to the lack of capacity, the partnerships eventually benefit neither the general public nor the private partner. Without a strong and transparent regulatory framework, adequate capacity of local government and a strong civil society to review and monitor implementation, decentralization and privatization will not bring benefits to all, but may in fact worsen urban conditions and increase inequality.

5. Good urban governance

Good governance is a complex concept, defined in different ways. A simple definition is 'the quality of the relationship between the government and its citizens', and it can be operationalized as: 'the quality of the process by which decisions are taken that affect public affairs, as well as the quality of the implementation and outcome of these decisions.' The reference to 'quality' implies that governance is a normative concept. Many criteria have been proposed to measure the quality of governance; there seems to be a consensus on the following criteria: inclusiveness, participation, transparency and accountability, equity, predictability, the rule of law and subsidiarity.

a. Urban planning

With the exception of Singapore, urban planning has a bad reputation in South-East Asia. Many visitors to Bangkok ask the rhetorical question: What happened to urban planning here? The lack of urban planning is not limited to free-market countries like Thailand. In socialist Lao People's Democratic Republic, private initiatives increasingly

determine urban land use. Transfer of State land to private ownership often occurs gradually on an informal basis rather than by design, but raised concerns that the private sector dominates the land market and could damage the wider public interest. Private investors often choose to ignore master plans and to bypass planning guidance and controls.

There is a disconnect between planners working in the traditional planning mode and the prevailing market-based mechanisms for urban development. Decisions affecting public affairs at the local level are not taken by an (elected) local government, but are in the hands of a wide range of stakeholders at local, national, regional and global level with local government often as the weakest player. Urban development tends to be the result of negotiations over individual projects between private developers and local government, but private-sector developers often work hand-in-hand with local politicians and administrators to promote profits for a few rather than benefits for all.

Goh (forthcoming) argues that South-East Asian cities and towns are characterized by non-compliance with regulations, lax law enforcement and a failure of accountability by office-bearers. Ineffective urban planning may be the result of a mixture of the lack of capacity, lack of political willingness to intervene and a deliberate policy to leave urban development decisions to the market players. The need for cities to compete in the global economy has led to a shift in urban governance from managerialism to entrepreneurialism (OECD 2007, pp. 19-20, 30). Managerialism is primarily concerned with the provision of services to citizens; entrepreneurialism is concerned with pro-economic-growth strategies, a positive attitude toward the private sector and a willingness to collaborate with it, and city-marketing to attract investors.

As a result of the entrepreneurialist urban agenda, global capital increasingly decides the physical and social form of the city, and land use is determined on the basis of land value alone rather than on a combination of social, economic and environmental considerations. There is no attention given to the broader picture, the public interest, the local and global environment, and marginalized groups. Urban green spaces which are important for the urban environment are sacrificed for economically more productive land uses and so is affordable land for housing the urban poor.

If land is awarded to the highest bidder to ensure an efficient use of urban land, there is no place for the urban poor, except in the informal settlements. Programmes that aim at improving housing conditions of the urban poor in informal settlements, like Baan Mankong, have now adjusted to this new reality. They do not operate on the principle that access to land, housing and basic infrastructure is an entitlement of the urban poor, but on the idea that the urban poor need to become market players.

Such programmes aim at empowering the urban poor to get access to the urban land market and negotiate with land owners for better land-tenure security. Using their own savings and financial support from the government, urban poor communities lease or buy land to develop their settlements. Weaker members of the community have to rely on the support of their neighbours, informal settlements with unorganized or disorganized populations cannot benefit from the programme and if the city or town has no affordable and suitably located land left, the programme comes to a halt.

b. Inclusiveness

Good urban governance emphasizes the importance of inclusiveness. It implies that all citizens, including the poor and other marginalized groups, have the right to:

- participate, directly or indirectly, in decision-making that affects their life and livelihood;
- be recognized for the contributions they make to development, even if these are made through the informal sector;
- share in the benefits of economic growth and development, including such benefits as access to basic infrastructure and services, and (land for) housing.

With advanced levels of privatization, one obstacle to inclusion of the poor is the cost in terms of money and time, but even if there are no formal costs involved, exclusion is common, though often quite subtle. Appearance, language or an informal settlement address stigmatize the poor and can deny them the services they are entitled

to. Informal sector workers are targeted and harassed by law enforcement agents, treated with disrespect by those delivering services, and asked for bribes before receiving assistance, and this increases their poverty.

Some countries have formal barriers to inclusion and participation for rural-urban migrants. In Viet Nam, residential status defines a resident's right to access social services, the formal banking sector, employment in the civil service, and so on. In a resettlement project in Ho Chi Minh City, households with only temporary urban registration were excluded from the benefits of the project. Other countries have household registration systems that may deny residents certain rights outside the location where they are registered. In Indonesia, residents of an informal settlement that is not recognized by the government may be denied access to services.

South-East Asia also experiences large-scale international labour migration from less economically developed to more economically developed countries within the region. Some migrants move to the rural areas to replace agricultural workers that moved to urban areas and abroad. Others move to the cities and towns and work in the informal sector. As a result, the urban population in South-East Asia is becoming increasingly heterogeneous. International labour migrants contribute significantly to the economy and their rights should also be recognized and respected.

Inclusiveness also extends to the rural, and to the future population. Urban areas must contribute to improvements in agricultural productivity, a reduction in rural poverty and the development of rural areas. Cooperation between an urban local government and local governments of adjacent rural and urban areas is essential to expand the benefits of development to both sides and must be institutionalized. Decision-making concerning urban development must also take account of the needs of future generations. Decisions to meet the needs of the present generations must not compromise the ability of future generations to fulfill their needs.

Issue 5:

Urban development has in fact been privatized to create the conditions for urban areas to compete for investments in the global economy, but market-driven urban development is not inclusive. It does not provide the urban poor and other marginalized groups with adequate access to decent employment, affordable land and housing, reliable basic infrastructure, and the decision-making that affects their lives and livelihoods. It does not take into account the needs of future generations. Efficiently functioning cities and towns are important for the development of the urban economy, but democratically elected local governments, adhering to principles of good urban governance and adopting inclusive urban policies, must regain control over the decision-making that affects public affairs.

c. Capacity development

Urbanization and urban development must be managed better, but this requires national policies and legal and institutional frameworks for decentralization that empower local governments to mobilize the human and financial resources to adequately assume their roles and responsibilities. This requires capacity development in urban management and good urban governance for elected and appointed officials in local government. Local government cannot be expected to do this on its own.

National governments need to assume responsibility for coordination, cooperation and policy coherence between local governments and the redistribution of resources between the more and less wealthy parts of the country. At the local level, civil society also needs to be strengthened so that it can critically monitor local government and demand its adherence to principles of good urban governance.

Local governments must be smart buyers and good urban managers to steer and to reap the public benefits of globalization, decentralization and privatization. They need staff with contract management experience, policy expertise, negotiation, bargaining and mediation skills, oversight and programme audit capabilities, and communication and political skills to manage programmes with third parties in a complex political environment (Van Slyke 2003, pp. 296-297). It is difficult for large cities to find such staff; it is nearly impossible for small cities and towns.

Globalization, decentralization and privatization have taken local governments into uncharted territory, and they are constantly in search of good practices, i.e. success stories about a local government that was able to solve a problem that they have in common. Fortunately, many local governments in South-East Asia are experimenting with new approaches and good practices have emerged. Some examples are Naga City in the Philippines, Tarakan and Yogyakarta in Indonesia, and Baan Mankong in Thailand. They often involve partnerships between adjacent local governments, and partners from the private sector, civil society or urban poor communities.

City or Town	Good Practice
Naga City, Philippines	Naga City and 14 surrounding towns formed the Metro Naga Development Council in a cooperative effort to complement limited resources, pool investment potentials and comparative advantages to promote economic development. It partners with the private sector, strengthens urban-rural linkages and promotes participation, transparency, accountability and predictability in managing public affairs (Mangahas 2006, pp. 295-300).
Jogyakarta, Indonesia	Yogyakarta and two municipalities established a joint secretariat whose main objective is to ensure a balanced development of infrastructure in the region by coordinating planning, implementation, evaluation and monitoring. Local governments realized that urban infrastructure development and management can only perform well if it is managed as a system, regardless of administrative jurisdictions (Firman 2010).
Tarakan, Indonesia	After decentralization, the city of Tarakan adopted the 'three pillars of development': human resources development, the rule of law and law enforcement, and economic development for people's welfare. Singapore provided the inspiration for the initiative, as it is an island-city like Tarakan. Tarakan includes environmental considerations in all of its major decision-making (Sarosa 2006, pp. 173-178).
200 cities, Thailand	Baan Mankong supports community-based organizations of the urban poor to develop city-wide networks that partner with NGOs and academics to enable communities to negotiate better deals with land owners for the lease or purchase of land. The aim is to improve security of land tenure, develop basic infrastructure and improve housing conditions for the urban poor [www.codi.or.th/housing].

Good urban practices are often initiated by strong leaders and local champions, because they can overcome the inertia of the local bureaucracy and the opposition of vested interests that prefer the status quo. Some therefore argue that good practices cannot be replicated on a wider scale or under different circumstances. Although good practices cannot be cloned, local governments can draw valuable lessons from experiences of others. Leadership is essential to develop a new urban culture that enhances urban living, improves urban sustainability and preserves the norms and values that are fundamental to the region. Overall, there is a need for a better understanding of the pathways and barriers to the dissemination of good practices (Bai et al. 2010)

Local governments must promote productive, inclusive and sustainable urban areas, but to do so, they need to support the private sector to generate economic growth and employment, assist the urban poor to improve their productivity and move out of poverty, help the surrounding rural areas to reduce rural poverty and develop agriculture, strengthen partnerships with the private sector and civil society to protect the urban environment, reduce carbon emissions that damage the environment and adapt to climate change. This is undoubtedly an enormous challenge.

Issue 6:

Problems with decentralization and privatization are not an argument to reverse or abandon these processes, but are an argument to strengthen local government and civil society and to empower the urban population, in particular the poor. Being in uncharted territory, local governments need to learn from each other to deal with the effects of decentralization, privatization and globalization. Learning from good practices and developing local leadership are critical to enhance the capacity of local government so that it is able to deal with the new urban challenges in terms of economic development, poverty reduction and environmental sustainability.

6. Conclusion and recommendation

As urban areas are the engines of economic growth, the economic future of South-East Asia will be determined in these urban areas. How the economies will develop will have an effect on the local, national and regional environment and, and as prosperity grows, also increasingly on the global environment. How the gains of economic development are used and shared will greatly affect the social and political relationships between the rich and the poor, and between the urban and rural population. As the subregion's economies integrate, labour migration and cross-border urban development will require new approaches.

Urban development is too important to be left to the market, if its only concern is (short-term) profitability and competitiveness. Decision-making on urban physical and economic development must take account of the social and environmental costs and benefits and their distribution. Thus, urban decision-making needs to have its base in good governance and the countries, cities and towns of South-East Asia must engage in capacity development for urban management and good governance.

This paper calls for the establishment of a regional policy-oriented forum of urban researchers, practitioners and policy-makers in South-East Asia to debate issues and develop proposals for productive, inclusive and sustainable urban development in the region. The countries of South-East Asia are different in many respects, but share the challenges of urbanization, economic development, poverty reduction, environmental management and mitigation and adaptation to climate change. ASEAN can serve the institutional framework for such a regional forum, as it seeks to intensify cooperation and integration among its member States.

References

- ADB (2009), *The Economics of Climate Change in South-East Asia: A Regional Review*. Manila: Asian Development Bank.
- ADB (2011), *Asia 2050: Realizing the Asian Century*. Manila: Asian Development Bank.
- AsiaOne (2011), 'Youth Violence Grows in Fast-Changing Viet Nam', 30 January 2011. Available from: *www.asiaone.com.sg*.
- ASEAN (2006), *Third ASEAN State of the Environment Report 2006: Towards an Environmentally Sustainable ASEAN Community*. Jakarta: ASEAN Secretariat.
- Bai, X. and H. Imura (2000), 'A Comparative Study of Urban Environment in East Asia', *International Review for Environmental Strategies*, Vol. 1 (1): 135-158.
- Bai, X., B. Roberts and J. Chen (2010), 'Urban Sustainability Experiments in Asia: Patterns and Pathways', *Environmental Science and Policy*, Vol. 13: 312-325.
- Bigio, A.G (2002), *Cities and Climate Change*, 'A Discussion Paper' in italic. Washington DC: World Bank.
- Brillantes, A.B. and H.P. Flores (forthcoming), Decentralization and Good Urban Governance in South-East Asia: Focus on the Philippines, Indonesia and Thailand. In: Yap, K.S. and M. Thuzar (eds.), *Urbanisation in South-East Asian Countries: Issues and Impacts*.
- CIESIN (2006), 'Low Elevation Coastal Zone (LECZ) Urban-Rural Estimates', In: *Global Rural-Urban Mapping Project (GRUMP)*. New York: Columbia University, available from *http://sedac.ciesin.columbia.edu/gpw/lecz.jsp*
- Choe, K. and A. Laquian (2008), *City Cluster Development: Toward an Urban-led Development Strategy for Asia*. Manila: Asian Development Bank.
- CODI (2011), *Baan Mankong Collective Housing*, available from *www.codi.or.th/housing*
- Firman, T. (2010), 'Multi Local-Government under Indonesia's Decentralization Reform: The case of Kartamantul (The Greater Yogyakarta)', *Habitat International*, Vol. 34(4): 400-405.
- Goh, Ban Lee. 'Governance and Accountability in South-East Asian Cities'. In: Yap, K.S. and M. Thuzar (eds.), *Urbanisation in South-East Asian Countries: Issues and Impacts*.
- Hawksworth, J., T. Hoehn and A.l Tiwari (2009), 'Which are the Largest City Economies in the World and How Might this Change by 2025?', *UK Economic Outlook* (November 2009). London: PriceWaterhouseCoopers.
- Healy, A.J. and S. Jitsuchon (2007), 'Finding the Poor in Thailand', *Journal of Asian Economics*, 18: 739-759.

- Jones, G. (2008), Comparative Dynamics of Six Mega-Urban Regions. In: Jones, G.W. and M. Douglass (eds.), *Mega-Urban Regions in Pacific Asia: Urban Dynamics in a Global Era*. Singapore: NUS Press.
- Mangahas, J.V. (2006), The Philippines. In: Roberts, B. and T. Kanaley (eds.), *Urbanization and Sustainability in Asia: Case Studies of Good Practice*. Manila: Asian Development Bank.
- Marcotullio, P.J. (2001), *The Compact City, Environmental Transition Theory and Asia-Pacific Urban Sustainable Development*, Paper for the International Workshop on New Approaches to Land Management for Sustainable Urban Regions, Department of Urban Engineering, University of Tokyo, Tokyo, Japan, 29-31 October 2001.
- McGranahan, G. (2007), Urban Transitions and Spatial Displacements of Environmental Burden. In: Marcotullio, P.J. and McGranahan, G. (eds.), *Scaling Urban Environmental Challenges: From Local to Global and Back*. London: Earthscan.
- McGranahan, G., D. Balk and B. Anderson (2006), 'Low-Coastal Zone Settlements', *Tiempo*, Issue 59 (April): 23-26.
- OECD (2005), *International Symposium on Enhancing City Attractiveness for the Future*, Nagoya, Japan, 2-3 June, 2005, Paris: OECD.
- OECD (2006), *Competitive Cities in the Global Economy*, OECD Territorial Reviews. Paris: OECD.
- OECD (2007), *Competitive Cities: A New Entrepreneurial Paradigm in Spatial Development*, OECD Territorial Reviews. Paris: OECD.
- Perez-Ludena, M. (2009), *Towards a New Model of PPPs: Can Public-Private Partnerships Deliver Basic Services to the Poor?,* UNESCAP Working Papers WP/09/01. Bangkok: ESCAP.
- Pongsiri, N. (forthcoming), Public-Private Partnerships and Urban Infrastructure Development in South-East Asia. In: Yap, K.S. and M. Thuzar (eds.), *Urbanisation in South-East Asian Countries: Issues and Impacts*.
- Ravaillion, M., S. Chen and P. Sangraula (2007), *New Evidence on the Urbanisation of Global Poverty*, World Bank Policy Research Working Paper, No. 4199. Washington DC: World Bank.
- Reuters (2011), 'Mind the gap: Asian income gulf shows economic model's flaws', 9 May 2011.
- Sarosa, W. (2006), Indonesia. In: Roberts, B. and T. Kanaley (eds.), *Urbanization and Sustainability in Asia: Case Studies of Good Practice*. Manila: Asian Development Bank.
- Savage, V.R. (forthcoming), Climate Change and South-East Asian Urbanization: Mitigation and Adaptation Considerations. In: Yap, K.S. and M. Thuzar (eds.), *Urbanisation in South-East Asian Countries: Issues and Impacts*.
- Suryadarma, D., W. Widyanti, A. Suryahadi and S. Sumarto (2006), *From Access to Income: Regional and Ethnic Inequality in Indonesia*, SMERU Working Paper. Jakarta: SMERU Research Institute.
- Thant, Myo (forthcoming), 'Regional Cooperation and the Changing Urban Landscape of South-East Asia'. In: Yap, K.S. and M. Thuzar (eds.), *Urbanisation in South-East Asian Countries: Issues and Impacts*.
- UN Population Division (2009), *World Population Prospects: The 2008 Revision Population Database*. New York: United Nations, available from *http://esa.un.org/unpd/wpp2008/index.htm*.
- UN-Habitat (2008), *State of the World's Cities 2008/2009: Harmonious Cities*. London: Earthscan.
- UN-Habitat (2010), *Urban Indicators Database*. Nairobi: UN-Habitat. Available from *http:// www.unhabitat.org/stats*.
- UN ESCAP (2008), *Statistical Yearbook for Asia and the Pacific 2008*. Bangkok: United Nations.
- Van Slyke, D.M. (2003), 'The Mythology of Privatisation in Contracting for Social Services', *Public Administration Review*, Vol. 63 (3): 296-315.
- World Bank (2003a), *Viet Nam Environment Monitor 2003: Water*. Washington DC: World Bank.
- World Bank (2003b), *Indonesia Environment Monitor 2003: Special Focus: Reducing Pollution*. Washington DC: World Bank.
- World Bank (2005), *Lao People's Democratic Republic Environment Monitor*. Washington DC: World Bank.
- World Bank (2007), *Philippines Environment Monitor 2006: Environmental Health*. Washington DC: World Bank.