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# Three ways in which cities can spur development and climate change adaptation

Cities in sub-Saharan Africa and South Asia are among the most vulnerable to the effects of climate change due to their geographic features and low income per capita. Many of the challenges related to sustainable urbanisation in poor countries can be overcome by getting the city development model right, and by focusing on pursuing development and adaptation goals in tandem.

Climate change is the defining challenge of our time. To avoid a climate collapse, countries must aim to not just grow, but to grow sustainably. In the first edition of the LSE Environment Week, academics and policymakers came together to discuss how to achieve a better balance between human activity and the natural environment, without sacrificing economic growth.

Addressing this challenge will require both new and old ideas. Richer countries, which have <u>historically contributed the most to</u> the emission of greenhouse gases, should aim for large-scale investment in innovation towards expanding the technological frontier and supporting the diffusion of cleaner technologies across the global economy to help curb emissions. Developing countries are more resource-constrained but could still go a very long way in achieving development and adaptation goals by getting the basics right – for instance, through appropriate land use planning, and provision of core urban infrastructure and services. Doing this will require leveraging and improving our existing knowledge in order to make the poorest urban population even less vulnerable.

Developing countries' cities can play a role in climate change adaptation through (1) raising the incomes of the urban poor, (2) integrating rural migrants into urban labour markets, and (3) securing the necessary government support cities need to get this right.

#### 1. Raising incomes of the urban poor

At their best, cities function as engines of economic growth, providing the clearest path from poverty to prosperity. When clustered in urban centres, firms and workers are able to unlock the 'miracle of productivity' and raise living standards through economies of scale and specialisation.

A crucial ingredient to this is good connectivity between and among firms and households, through denser environments and efficient transport links. Urbanisation, therefore, can be aligned with sustainable growth objectives, provided that the <u>downsides of</u>

<u>density</u> are well-managed and emerging cities prepare themselves to leverage the <u>expected population growth</u> correctly.

Urbanisation, particularly in sub-Saharan Africa, is happening at much lower levels of income when compared to other regions in the world, suggesting that this process has not gone hand-in-hand with structural transformation. The challenge of underperforming poor cities is compounded by the fact that low and lower-middle income countries are geographically located in areas that are most adversely affected by the changing climate.

Only with <u>well-implemented and far-sighted public policy</u> can this trend be reverted. Going for cleaner sources of growth and consistently increasing incomes through well-functioning, productive cities is critical to building resilience to climate change, since <u>the poor are more likely to suffer from it</u>.

When a city is hit by a natural disaster, such as floods and landslides, low-income households are more exposed, because they are more likely to live in risk-prone areas. They are also more susceptible to being displaced and losing their material belongings, due to the inferior quality of informal housing material. Finally, these disadvantaged groups are less able to cope and recover from the impacts of extreme weather events due to limited savings, access to finance and insurance, and safety nets. Therefore, raising incomes is arguably the most important adaptation strategy.

#### 2. Integrating rural migrants into urban labour markets

When thinking about climate change adaptation in poorer countries, an often-overlooked aspect is that such adaptation will primarily occur through the <u>movement of people across space</u>, including from rural to urban areas, exacerbating on-going urbanisation trends. <u>Climate change is already slowing agricultural productivity</u>, especially in Africa, threatening the livelihoods of millions of households that are heavily dependent on farming. Extreme weather events, including floods and droughts, may also prolong <u>'lean' or 'famine seasons'</u>. This makes migration to cities – both seasonal and permanent – a powerful adaptation mechanism to cope with climate shocks, given their higher and steadier pool of opportunities.

How can cities best prepare to accommodate these population flows?

A key policy focus should be effectively integrating rural migrants into urban labour markets. This will require acting on different fronts, including migrant 'pre-departure' and 'arrival'.

- Before departure, it is important to consider mechanisms that
   proactively encourage migration as a way to escape poverty in the
   first place, and then those that <u>facilitate the journey to cities</u> through
   lower transport costs and better infrastructure systems. Furthermore, if
   government already expects migration to occur, they can provide rural
   workers with the skills demanded in cities for example, through
   tailored job training programmes.
- Upon arrival, it is essential that governments support migrants through job-matching schemes, helping them to appropriately <u>signal skills</u> to urban employers, <u>manage expectations</u> during the job-searching period, and <u>overcome potential labour market discriminations</u>. In parallel, improving <u>core urban infrastructure and services</u> to manage the surge of inflows, including adequate provision of safe

housing options, should be pursued.

Working with the politics of migration and forced displacement

The political economy of migration is not to be ignored. While <u>migrating to cities is positive for development</u> in the long-run, <u>rapid rural exodus can destabilise existing political systems</u> in the short-run, in both recipient and left-behind communities, generating opposition from incumbent local leaders.

Climate change is also exacerbating conflicts in developing countries, leading to forced displacement that occurs not only internally, but across borders. Estimates suggest that around 40% of forcefully displaced individuals are fleeing to neighbouring countries, often residing in refugees camps and informal settlements.

## 3. Development and adaptation can reinforce one another, but require government support

Development and adaptation often reinforce each other and should be pursued under an integrated approach. For example, raising incomes of the urban poor is not only good for overall economic development, but should also help households to better adapt to climate shocks when they happen. This is also true for rural-to-urban migration.

While poorer countries have the lowest financial, technological, and institutional capabilities to rapidly switch to a net-zero-aligned growth trajectory, mitigation goals can also be achieved when development and adaptation are chased in tandem. For instance, by investing in technologies and practices relevant to wastewater control and treatment, cities are not only helping to reduce uncontrolled greenhouse gas emissions but are also improving public health. At the same time, they are creating jobs – both at the high-and low-skilled ends of the spectrum – and helping the population become more resilient to natural disasters.

Importantly, underlying factors need to be ensured to support government action on climate change. <u>Lack of finance is perhaps</u> the most significant constraint developing countries face today. Changing this will require increasing the availability of financial flows coming from rich nations and other major aid organisations, and making sure that they reach those in need. At the city-level, local governments should aim at enhancing the financial position of their cities by implementing <u>reforms that are able raise own-source</u> revenues.

Other <u>urban governance factors</u>, which climate change have added urgency to, were also highlighted during the LSE Environment Week. Governments should be able to design and enforce contracts that help them manage city infrastructure. They should also have clear mandates and the appropriate multi-level governance to manage the effects of climate change, since these impacts are rarely confined within city boundaries. Finally, governments should have the right data infrastructure to predict, inform, and ultimately <u>capacitate the population to act</u> in a timely manner.

Climate change adaptation can be achieved not only *in* cities, but *through* cities. By focusing on sustainable urbanisation, developing countries are not only on track to spur greener economic growth, but also becoming more resilient to the changing climate.

Editor's note: To learn more about the climate priorities in developing countries discussed during the LSE Environment Week view the policy memos tabled and recording of the webinar on addressing the urbanisation challenge in developing countries, and read IGC's latest growth brief on sustainable growth for a changing climate and sustainable urbanisation for cities as places to live.