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## **Urban Policy Initiatives in the European Union, Beijing-Seoul-Tokyo Cooperation and ASEAN: Perspectives for SAARC Countries**

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The world is urbanizing at par with economic openness and industrialization. In many developing nations, due to the reduction in the contribution of agriculture to the national income and the lack of a strong non-farm sector, the rural-urban migration is on a rise. Cities and towns are becoming major economic, employment generation and revenue earning centres. In many countries, employment generation is generally perceived to be higher in the urban areas and its surrounding localities. Developing countries have adopted many policies to tackle the growing needs for infrastructure (roads, railways, ports, airports among the many). But, with the booming infrastructural requirements and the necessity for efficient management of resources in urban areas, it is very hard for national public sector undertakings alone to be involved in planning and policy. Therefore, cooperation in the form of exchange of ideas and technical expertise between governments and cities will be beneficial, especially when the process of economic, defence and political cooperation between nations is progressing, during the past few decades.

It is also a fact that different countries have their unique urban development policies. Here, urban development is defined to cover a variety of issues like low income housing for urban poor, alleviation of urban poverty and unemployment, mass urban transportation systems in metropolitan cities, improvement of urban environment, promoting private sector participation in the provision of public infrastructure and also in urban planning and management of specific components of urban services and municipal governance. All these domestic issues are likely to be reflected in the foreign policy priorities of the nations.

The competition between major urban areas in various countries is also on a rise. In a not so parallel terrain, countries are entering into different types of trade agreements. Hence, the performance of any economy would be mostly dependent on the availability of infrastructural and other facilities, which will facilitate in market and other economic interactions. In this essentially liberalized world heightened interactions between economies is an intricate part of its functioning. Employment and income generating economic activities will definitely be on a rise.

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But, how can countries cooperate to balance the development and management of their centres of growth? Even if a region has strong economic and political linkages, differences in functioning and management of cities have to be accepted. Therefore, countries have to undergo competition and cooperation, in order to ensure sustainable development.

Against this backdrop, the objective of this paper would be to analyze how countries have cooperated in the development and linking of their major cities, especially in the wake of the rampant Free Trade agreements (FTAs) and Preferential Trade Agreements (PTAs). This paper elucidates the approaches adopted by regional cooperation initiatives to tackle the growing challenges of urbanization, especially with respect to city management, transportation and regional trade linkages. The first section of this paper will deal with the overview of urban development at the aggregate international level, followed by the initiatives by the European Union (EU), ASEAN, East Asia and SAARC, and the third and concluding section will draw out some effective measures which can be implemented with the SAARC framework.

## Overview of the Regional Urban Planning and Management Models

Table 1: Urban Population Growth across the Globe

Urban Population Growth across the Globe										
			in Millions % of total		in Millions % of total		in Millions % of total		in Millions % of total	
			1900		1950		2000		2030	
Africa					32	14.7	295	37.2	<b>787</b>	<b>52.9</b>
Asia					244	17.4	1376	37.5	<b>2679</b>	<b>54.1</b>
Latin America & Caribbean					70	<b>41.9</b>	391	<b>75.4</b>	608	84.0
Oceania					8	61.6	23	74.1	32	77.3
Europe					287	52.4	534	73.4	540	80.5
North America					110	63.9	243	77.4	335	84.5
<b>Global Total</b>					<b>~250</b>	<b>~15</b>	<b>751</b>	<b>29.8</b>	<b>2862</b>	<b>47.2</b>
Increase							<b>501</b>	14.8	<b>2111</b>	17.4
									<b>4981</b>	<b>60.2</b>
									<b>2119</b>	13.0

Source: United Nations, 2002.

Table 1 reveals that there has been a steady increase in the growth percentages from 1950 till 2000, even if the projected figures are showing a decline for 2030. The projected figures for Asia and Africa are reflecting an increase by over 15%, even if the percentages are not as high compared to the developed nations. According to existing literature, the challenges for the study of urbanization have been due to the problems of accurate projections of future growth hampered by difficulties in data collection and projections. Another obstacle has been the demarcation of factors to differentiate between rural and urban population.<sup>1</sup> The definitions of urbanization differ widely and any range from 2,500 to 25,000 settlements has been classified as urban areas (UNDP). Urban communities can be defined in any number of ways including population size, population density, administrative or political boundaries, or economic function. Some countries define their urban population based on certain administrative boundaries – such as administrative centers or municipios (El Salvador), municipality councils (Iraq), or in places having a municipal corporation, a town committee or a cantonment board (as in Bangladesh or

<sup>1</sup> Barney Cohen, 'Urbanization in developing countries: Current Trends, future projections and key challenges for sustainability', *Technology in Society* 28 (2006) 63-80.

Pakistan). There can be wide discrepancies in comparison of data.<sup>2</sup> According to the World Development Report, irrespective of the criteria used, the number of people living in the cities is on the rise (World Development Report 1999-2000). This along with the rising importance of urban areas as financial and economic centres of nations and regions, necessitates efficient planning and management.

Urban areas offer comparative advantages in terms of resource sharing between household and commercial centres. For public services like sewage, water, and highways, firms locating in rural areas or residential developments in suburban areas either have to induce counties or states to provide this infrastructure or pay for such linkages themselves. In this regard, central cities and inner suburbs are ideal locations for starting small businesses that cannot afford such services on their own.<sup>3</sup> Any study on urbanization should encompass social, economic and developmental factors. This mandates the existence of a plethora of policies to address every specific issue. Nations tend to learn from the successes and mistakes of their counterparts. Any efficient existing policy can be tried if it leads to enhancement of the nation's economic and social fabric. Hence, there is a need for comparisons of the policies adopted by regional organizations and derive lessons from their experiences. The next section will deal with the urban management policies of the EU, ASEAN, BeSeTo (Beijing Seoul Tokyo Cooperation) and EU-Latin America ties.

### **The European Union**

The priority for contemporary urban issues in the EU gained focus with the publication of the Green Paper on the Urban Environment in 1990, followed by the European Committee Expert Group on the urban environment in 1991, the initiation of the European sustainable cities project in 1993 and the launch of the European Sustainable Cities and Towns Campaign in 1994. It has been stated that the majority of problems faced by EU urban cities are multifarious to include degradation of the natural environment, crime, uneven distribution of resources within spatial economic structures. Another important project launched by the EU was the determination of efficient urban policies through the URBAN community initiative through which the union currently delivers support to 70 towns and cities across 15 member states. 'The basic principle is that of integration between social, environmental and economic dimensions in order to stimulate the process towards sustainability.'<sup>4</sup> In 1997, the European Consultative Forum on the Environment and Sustainable Development was established (Commission Decision 97/150/EC) within the framework of the 5th environmental action programme. The Working Group notes that "...the ESDP is related to a number of other European and global initiatives, such as:

- Eurocities (a network of 81 cities in 25 European countries).
- the International Council for local environmental initiatives (ICLEI).
- the Local Agenda 21.

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<sup>2</sup> Ibid.

<sup>3</sup> [policy.rutgers.edu/faculty/lahr/Lahr&Haughwout\\_Properties\\_Economic\\_Case\\_for\\_Regional\\_Cooperat...](http://policy.rutgers.edu/faculty/lahr/Lahr&Haughwout_Properties_Economic_Case_for_Regional_Cooperat...)

<sup>4</sup> According to the working group discussions at the 22 September 1997 Expert Group Plenary meeting, contributions from the 7 November 1997 Workshop involving invited experts, and the conclusions of the 25 November 1997 European Event Promoting Sustainable Development & Local Agenda 21.

- the European Community programme of policy and action in relation to environment and sustainable development (fifth environmental action programme).
- The European Commission expert group on the urban environment.
- the directive of the European Commission on habitat protection (Natura 2000).
- the trans-European networks.
- the Habitat II Initiative.

The various measures and policy stances initiated by the countries of the European Union reveals the extent of trans-nationalization of urban issues. The factors span from transport systems through the trans-European networks, protection of environment with the Habitat II initiative and the expert group on environment and the linking of major cities with the Eurocities project.<sup>5</sup> All these proposals reveal the importance endowed by the regional grouping to balance economic growth. These methods will also help the smaller and less privileged nations within the EU and outside, like the East European countries to obtain ideas and feedback from their counterparts. The EU-Latin America economic and trade agreement has made provisions for collaborations on urban and city management. This type of trickle down effect of technical expertise and efficient policies would prove beneficial for developing nations.

### **The BESETO Network**

The BESETO stands for Beijing-Tokyo-Seoul network, an initiative suggested for Japan, South Korea and China to link their industrial and urban regions in the 1990s due to an accelerating economic growth. In East Asia, It was argued that, given the openness of the economy of the cities, it is impossible for the ULBs to prepare a development plan without a regional perspective, combining contiguous cities of various countries.<sup>6</sup> In the late 1990s, a major effort to link the major cities in East Asia began with the ‘ecumenopolis’ (a borderless urban corridor), the inverted S-shaped corridor from Beijing to Tokyo via Pyongyang and Seoul. These areas cover about 98 million inhabitants and 112 cities as reflected in Table 2. This region covers the most industrially developed areas of the countries involved, by railroads and highways and also air connectivity.

**Table 2:** Urban Population and Number of Cities in the Beijing-Pyongyang-Seoul-Tokyo Corridor in 1990

	<b>Population ('000)</b>	<b>No. of Cities Over 200,000</b>
Bohai Rim Corridor, China	31,556	36
Shinuiju-Kaesong Corridor, North Korea	4,997	9
Seoul-Pusan Corridor, South Korea	22,642	15
Fukuoka-Tokyo Corridor, Japan	39,269	52
<b>Total</b>	<b>98,464</b>	<b>112</b>

**Source:** The transnationalization of urban systems:

The BESETO ecumenopolis, <http://www.unu.edu/unupress/unupbooks/uu11ee/uu11ee1h.htm>

<sup>5</sup> <http://www.ucl.ac.uk/euroconference/participate/fora/regional.html>

<sup>6</sup> The transnationalization of urban systems: The BESETO ecumenopolis, <http://www.unu.edu/unupress/unupbooks/uu11ee/uu11ee1h.htm>

A high rate of urban development was viewed with a certain amount of caution due to the unmistakable divide between the urban and rural areas, especially when growth is left to the whims and fancies of the market forces. This is the case for Japan, South Korea and China, their national policies reflecting their respective concerns. Also, it has been identified that any evolving urban system will have implications in both nationalization and international urbanization policies. In spite of various reservations about the concept of urbanization as a whole, it is also certain that urban development is an emergent factor in the continuous process of globalization and economic development. Therefore, when the BeSeTo idea was conceived by Seoul in the 1990s, the existing complementarities between countries in North-East Asia were taken into consideration.<sup>7</sup> China could use the backing of its technologically advanced and capital rich countries of Japan and South Korea, whereas the latter two could tap the human and natural resource base of their neighbour.

On the flip side, the BeSeTo proposal made by Seoul has not been actively followed upon. But, in 1995, Beijing, Seoul and Tokyo signed a Memorandum of Understanding (MoU), which set the pace for inter-city cooperative relations including all types of relations at both public and private levels.<sup>8</sup> But, existing sources reveal that the cooperation has been very customary and not much effort has been taken to enhance the decentralized system of governance.

#### **Association of South East Asian Nations (ASEAN)**

The Initiative for ASEAN integration (IAI), the roadmap for the integration of ASEAN (RIA) have developed into a vision of the ASEAN Economic Community (AEC) by 2020, which will make ASEAN into a single production and market base with free flow of goods and services, investment, skilled labor and free flow of capital between all ASEAN countries. In order to ensure a better connectivity between the nations, and also to enhance a balanced development, the ASEAN transport network was envisioned in 1990s. The integration and efficiency of the transportation links within ASEAN is expected to enhance the prospects for AFTA and to convert South East Asia into a 'One market zone and a single production base for free flow of trade, goods, services, investments, skilled labour, capital, etc.

In order to facilitate the achievement of this objective, there have been many initiatives from the sub-regional groups, notable amongst them being the 'ACMECS'- the Economic Cooperation Strategy of five countries namely Cambodia, Laos, Myanmar, Thailand and Vietnam.<sup>9</sup> The topmost priority of ACMECS has been the building of physical infrastructure, including roads, bridges and railroads. The 'rectangular strategy' initiated by the government of Cambodia involves the rehabilitation of road infrastructure and also improve economic development by linking cities and urban areas to local areas, linking production areas to market places.<sup>10</sup>

Another significant aspect has been the introduction of ASEAN heads of population programme (AHPP) as early as 1981, which brought in the phenomena of migration and urbanization within the purview of cooperative demographics and development agenda.<sup>11</sup>

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<sup>7</sup> <http://www.nira.go.jp/publ/seiken/ev12n04.html>

<sup>8</sup> Hee Yun Jung (2005), Seoul-Toward a Regional Hub City in the Northeast Asia, Seoul Development Institute

<sup>9</sup> [http://www.cnv.org.kh/2004\\_releases/231104\\_transport\\_asean.htm](http://www.cnv.org.kh/2004_releases/231104_transport_asean.htm)

<sup>10</sup> Ibid.

<sup>11</sup> <http://www.aseansec.org/10039.htm>

Initiatives have also been made to link major cities and economic centres by rail, road, air, and also through other means. It is evident that an overview of ASEAN's transport and other policies reflects a plan between ASEAN countries to acknowledge that urban development is an integral process of economic progress. The planning process also reflects the need for countries to integrate for economic enhancement inspite of political differences.

### **South Asian Association for Regional Cooperation**

The members of the South Asian Association of Regional Cooperation (SAARC) have identified many issues in the course of the organization's existence since 1985. But as opposed to its counterparts in other regions, the incorporation of urban policies and joint infrastructural plans have not yet been planned and implemented. But, it should be noted that European Union started its cooperative urban and infrastructural planning only in the 1990s, almost 40 years after its existence.

In the wake of continuous economic and market liberalization, cities have become economic powerhouses of countries. On a parallel track, countries are also entering into free trade and preferential trade agreements, eventually aiming to transform the areas into free trade areas and customs unions. SAARC also has a similar agenda in the form of South Asian Free Trade Agreement (SAFTA) which came into effect on January 1, 2006.

A perusal of the SAARC policies and documents reveal that even if there are no direct plans to integrate city management and planning into the main framework, there have been few agreements which have addressed these issues indirectly. The 'Science and Technology, and Meteorology' wing of SAARC is in the process of finalizing a 'State-of-the-art Report on Building, Materials and Housing Technologies.'<sup>12</sup> This could be used as a template for the future construction of cities. The Sixth SAARC summit in December 1991 enunciated the need for scientific and technological cooperation to transcend national boundaries and derive benefits for the well-being of the people.<sup>13</sup> The areas of environment preservation, disaster management and the effects of greenhouse gases were also stressed upon as early as 1987 in the third SAARC summit.

The South Asian Development Fund (SADF) was created in 1996 by merging the SAARC fund for regional projects (SFRP) and SAARC Regional Fund (SRF). The SADF objectives are to support industrial development, poverty alleviation, protection of environment, institutional /human resource development and promotion of social and infrastructure development projects in the SAARC region. The Fund is to be utilized for projects in one or more SAARC countries which are of significant economic interest of two or more countries.<sup>14</sup> Subsequently, the 13<sup>th</sup> SAARC summit decided to convert the SADF into SAARC development fund (SDF), with an initial fund of USD 300 million for the social window. The Social Window would primarily focus poverty alleviation and social development projects. The Infrastructure Window would cover projects in the areas such as energy, power, transportation, telecommunications, environment, tourism and other infrastructure areas. The Economic Window would primarily be

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<sup>12</sup> <http://www.saarc-sec.org/main.php?t=2.6>

<sup>13</sup> Ibid.

<sup>14</sup> Funding Mechanism, SAARC Secretariat, <http://www.saarc-sec.org/main.php?t=2.14>.

devoted to non-infrastructureal funding.<sup>15</sup> Working Groups have been created to focus on five new and emerging areas, namely, Energy, Tourism, Information, Communications and Technology, Intellectual Property Rights and Biotechnology.

SAARC and ASEAN are also partner members of the multilateral initiative called 'The Urban Governance Initiative' (TUGI) led by United Nations Development Programme (UNDP) from 1998. This is mainly aimed at building capacities for good governance in the Asia-Pacific region. UNDP-TUGI has led pilot projects at the micro level in various countries and is planning to come up with a detailed report on efficient planning and management of cities in the Asia Pacific. This enterprise covers many issues including gender and development, water and sanitation, AIDS, waste collection and disposal, public transportation, urban poverty, employment and job creation and overall good governance.

### **Comparisons of Regional Cooperation Mechanisms and Lessons for SAARC**

The European Union (EU) started its urban policy initiatives in the early 1990s based on the agenda that many urban areas in EU suffer from common problems like housing degradation, urban poverty, traffic congestion, degradation of the built in environment and trans national problems such as atmospheric pollution. It is also stated that the European cities have a common historical and cultural heritage that needs to be preserved. There have been initiatives to address social, economic and developmental problems, despite the absence of demarcation, as a contrast to SAARC which has identified Social, Economic and Infrastructure Windows. The absence of demarcation in EU could be due to the presence of standard infrastructureal and economic conditions amidst stagnating social indicators' has also extended its policy support and transfer to the countries of Latin America through various agreements. On the other hand ASEAN's approach to linking of urban cities have been mostly transport oriented, paving way for better access to economically viable locations in order to strengthen the economic conditions. The linkages of cities through transport networks are aimed to create a balanced development of the region and make it an attractive investment destination.

The BeSeTo plan is more at its nascent stage inspite of its origin as early as 1990. The discrepancies between the national and regional policies. The emergence of extended borderless metropolitan regions, as envisaged by BeSeTo will lead to globalization of problems, leading to the coining of collective solutions. It has been stated that the rapid economic growth will lead to a new international division of labor, transcending urban and regional structures. This will lead to uneven distribution of capital and income. There is a necessity for a new Asian network, characterized by transnational hierarchy of cities.<sup>16</sup>

There have been many difficulties in the forward movement of this plan due to political and economic differences of China, Japan and South Korea. But this plan has concentrated mainly on the reorganization of industrial and spatial structures through the distribution of economic and infrastructureal networks.

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<sup>15</sup> Ibid.

<sup>16</sup> The transnationalization of urban systems: The BESETO ecumenopolis, <http://www.unu.edu/unupress/unupbooks/uu11ee/uu11ee1h.htm>

The UNDP-TUGI initiative has adopted a holistic approach to the entire issue of urban governance. Therefore, an analysis of the policy stances adopted by various regional and trans-national initiative have led to the conclusion that priorities are mostly directed in the areas of economic and infrastructural development (ASEAN and BeSeTo) and a more comprehensive picture in the case of EU and TUGI. Even if there is no direct reference on economics and urbanization in SAARC, there are various initiatives like the South Asian Development Fund and the State of Arts Technology reports which can be used to help bring in the issues of urban policy and infrastructural development within the SAARC framework. Urbanization, as a holistic approach is essential for a sustained economic growth for resource sharing among nations within a region, considering that many problems arising are trans-national by nature. Also, it is important to note that political issues are being sidelined in many regional initiatives. The priorities of sustainable economic development should find a place with the SAARC framework. Cooperation combined with sound infrastructure and economic planning, could pave way for a comprehensive understanding of urban problems and better management of SAARC cities in order to ensure balanced and uniform development of the region as a whole.

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