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URBANIZATION IN LATIN AMERICA AND THE CARIBBEAN: TRENDS AND CHALLENGES

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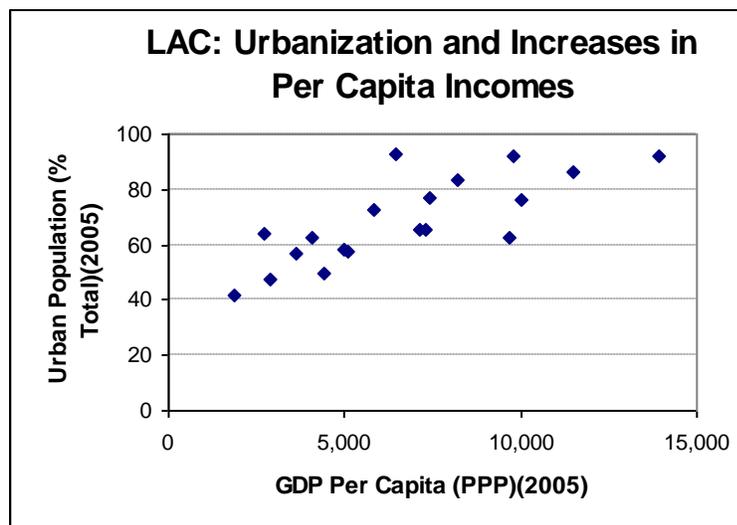
I. Introduction

Urbanization is likely to be one of the defining phenomena of the 21st Century for Latin America and the Caribbean (LAC) as well as the rest of the developing world. The world as a whole became more urban than rural sometime in 2007, a demographic change that was driven by rapid urbanization in the developing countries. For the LAC region, this demographic tipping point took place in the early 1960s. According to United Nations estimates, the number of people living in urban areas globally will increase by over one billion between 2007 and 2025. In LAC, the increase in the urban population over this time period will be much smaller – 127 million – but this still represents a 28 percent increase in the region’s urban population in less than 20 years.¹

II. URBANIZATION AND DEVELOPMENT

The fast growing urbanization of the world has spawned a whole new discussion of urbanization, its causes and its benefits and costs. The growth of cities is increasingly seen as an integral part of

the development process and not something that needs to be prevented or controlled. The structural transformation that countries undergo as they develop is now well understood. Agriculture declines as a share of gross domestic product (GDP) and manufacturing and services begin to grow and eventually come to dominate an economy. However,



what was not as well understood until recently is that a spatial transformation tends to occur along with the structural transformation, and that this occurs as a result of the fact that goods and services can often be produced more efficiently in more densely populated areas where businesses have easier access to a pool of skilled labor, a network of complementary firms that act a suppliers and a critical mass of customers.

In other words, it is natural for cities to grow as countries develop, and as cities grow, they tend to account for an ever-increasing share of national income — 55 percent of gross national income (GNP) in low-income countries, according to the World Bank, 73 percent in middle-income countries, and 85 percent in high-income countries.²

¹ UN, “World Urbanization Prospects: The 2007 Revision,” p. 5.

² World Bank, “World Development Report 1999/2000,” p.126

Urbanization in the United States and the other high income countries was associated with rising per capita incomes, and this pattern has been repeated in the LAC region.

The discussion of why cities exist and their attributes is also changing with new concepts such as proximity, density, diversity, dynamics, and complexity being emphasized in the dialogue. Different disciplines also give more emphasis to different attributes.

Economists tend to focus more on proximity and density (agglomeration) and dynamics (migration) as drivers of urbanization, for example. The growth sectors of economies – manufacturing and services – are usually concentrated in cities, according to economists, because of the benefits they gain from agglomeration economies.³ Large urban areas are also seen to be less vulnerable to economic fluctuations because they have a more diversified economic base, another benefit from agglomeration. And, for consumers, large cities provide a variety of services and shopping and entertainment opportunities. Other social scientists tend to pay greater attention to diversity in urban populations and how this interacts with density and dynamics to produce urban politics, culture, social relationships, and change. The optimists among this group emphasize cities as social melting pots, sites of innovation, political engagement, cultural interchange, and drivers of social change. The more pessimistic, on the other hand, focus on cities as being characterized by social differentiation, poverty, conflict, and environmental degradation.

III. URBANIZATION IN THE LAC REGION

A. High Levels of Urbanization

Over 78 percent of the LAC population lived in urban areas in 2007. This made LAC more highly urbanized than Europe, Africa or Asia (See Table 1). LAC, which consists primarily of medium-income countries, is also more urban than the average for the high-income countries, according to the World Bank.⁴

Considerable variation still exists within the region, however, among sub-regions and across countries. For example, South America is the most urbanized sub-region (81.8 percent in 2005) and the Caribbean the least (64.3 percent) (See Table 2). Argentina, Uruguay, and Venezuela were the most urbanized countries in 2005, with over 90 percent of their population living in urban areas. Guyana was the least urbanized in 2005 (27 percent), followed by Haiti (42.7 percent), Honduras (46.5 percent), and Guatemala (47.2 percent).

B. Early and Rapid Urbanization⁵

³ This includes localization economies (i.e., the benefits that derive from firms locating close to firms in the same industry) and urbanization economies (i.e., the benefits that derive from proximity to many different economic actors).

⁴ World Bank, World Development Indicators, 2009.

⁵ Sources for this and the following three sections include Cerrutti, “Urbanization and Internal Migration Patterns in Latin America,” 2003 and the UN, “World Urbanization Prospects: The 2007 Revision.” 2008.

The urbanization process began earlier in LAC than in Africa and Asia, with many of the indigenous cultures already organized in large cities before the Spanish colonization. This had an influence on the location of the Spanish colonies, and the Spanish also founded new cities, from which to organize and control their territories.

For the region as a whole, the most rapid rate of increase took place between the 1920s and the 1970s. The percent of the LAC population living in urban areas increased from 25 percent in 1925 to 61 percent in 1975, a 36 percentage point increase in 50 years. The degree of urbanization that took place in LAC during these years happened more quickly than was the case in North America and Europe. For example, it took 75 years (from 1925 to 2000) for the level of urbanization in North America to increase from 53.8 percent to 78.8 percent (a 25 percentage point increase), while it only took the LAC region 35 years (from 1925 to 1960) to achieve a similar percentage point increase (from 25 percent to 48.9 percent). Explanations offered for the rapid pace of urbanization during these years include the industrialization taking place in the region's economies, the adoption of import substitution policies, the introduction of new agricultural technologies, and the restructuring of rural economies.

The pace of urbanization at the regional level slowed after 1975 to 0.78 percent during the 1975 to 2007 period and is projected to slow even further, to 0.36 percent between 2007 and 2025. Factors cited as having an effect on the pace of urbanization since the mid-1970s, both positively and negatively, include the debt crises in the 1980s, the opening of the region's economies in the 1990s and the current trends toward globalization.

There were significant variations in the urbanization process at the country level, however. For example, Argentina, Uruguay, and Chile, which also received large numbers of migrants from Europe during the late 19th and early 20th century, were already predominantly urban by 1930. Brazil, Mexico, Colombia, Peru, and Venezuela started their urbanization process after 1930 and urbanized rapidly after that. Most of the other countries in the region, those with urbanization rates less than 70 percent, still have relatively high rates of urbanization. According to UN estimates, only three countries in LAC – Haiti, Guatemala, and Guyana – were still primarily rural in 2010, but Haiti and Guatemala were very close to the tipping point.

C. The Importance of Big Cities

Urban populations in LAC have tended to concentrate in large cities. There were 67 cities in LAC in 2005 that had populations of over one million inhabitants and four cities with populations of 10 million or more -- Mexico City (19 million), Sao Paulo (18.8 million), Buenos Aires (12.8 million), and Rio de Janeiro (11.7) million. When cities reach the 10 million inhabitant threshold, they are considered to be mega cities, and in 2005, the LAC region accounted for four of the world's 19 mega cities. In the mid-1990s, 14 percent of the region's urban dwellers were living in these mega cities, a much higher percentage than elsewhere in the world, and 46 percent were living in cities with more than one million people.

Urbanization in LAC is also characterized by the extent to which its urban populations have tended to concentrate in one major urban center – the primate city.⁶ In 1995, for example, there were over 11 countries in the LAC region that had a primacy rate of over 2,⁷ whereas indexes of two or more are much more exceptional elsewhere in the world. Countries with high primacy rates include Argentina, Chile, Guatemala, Nicaragua, Panama, Paraguay, Peru, and the Dominican Republic, and in all of these countries, the primate city also serves as the capital of the country.

More recent trends suggest that the pattern of urbanization in LAC may be diversifying. Many of LAC's major cities now have lower population growth rates than other cities due to the more advanced stage they have reached in the demographic transition, with fertility rates declining, and the low or even negative rate of in-migration that is occurring in some of these larger cities. And, the trend toward the concentration of populations in the primate city, which was prevalent in LAC until the 1970s, is also declining.

Meanwhile, medium size cities (defined as cities that have populations between 50 thousand and one million) have been growing rapidly, particularly during the 1980s when their rate of growth was higher than the rate for the major cities and also higher than the rate for the urban population as a whole. In the 1990s, a number of these cities began to encounter some of the same types of problems that LAC's larger cities have been dealing with, such as problems related to the development of infrastructure and the delivery of municipal services. There is also some evidence that poverty is more widespread in secondary cities than in metropolitan areas.⁸

D. Increasing Diversification in the Sources of Urban Growth

LAC cities grew initially as a result of the large numbers of people who migrated in from rural areas looking for better economic opportunities and a better quality of life. Since access to social services and labor opportunities continues to be worse in rural areas in the region, some rural to urban migration is still triggered by economic factors. In some countries, Colombia and Guatemala, for example, civil violence has also contributed to rural to urban migration.

These rural to urban flows gave way in the 1990s to a more diversified pattern of growth. Rural to urban migration is still a major cause of the decline in rural populations, but more of these rural to urban migrants are now more highly educated, young (working age) adults and a disproportionate share are women. Now cities are growing more as a result of the natural growth of their current populations. And, migratory flows from one urban area to another and intra-metropolitan migration have become the predominant types of population movements. Movements within cities, from center cities to the

⁶ A primate city is the leading city in its country or region, disproportionately larger than any others in the urban hierarchy.

⁷ The primacy index is the ratio between the population of the primate city and the sum of the population of the next three largest cities. In some countries, the index does not clearly reflect the trend toward the deconcentration of populations, because the populations of the secondary cities used in the calculations have been virtually constant since the 1980s.

⁸ ECLAC, "From Rapid Urbanization," 2000, p. 11 and p. 21.

peripheries of cities and to other urban centers within the metropolitan areas or even a cluster of cities, have become much more important. These trends are difficult to quantify, however, because of their complexity and data limitations.

E. The Urbanization of Poverty

Urbanization, by fostering economic growth, has helped reduce absolute poverty in the aggregate in the developing world but appears to have done little for urban poverty, with the numbers of poor living in urban areas increasing at the same time that the number of rural poor have been decreasing. This process has progressed further in LAC than in other regions. In LAC, the majority of the poor (i.e., those living on less than \$1 a day) were already living in urban areas as of the mid-1990s (See Table 3), and by 2002, over 59 percent of those living on less than “\$1 a day” and over 65 percent of those living on less than “\$2 a day” were living in urban areas.⁹

F. Increasing Socio-Economic Segmentation

Segregation of people by socio-economic status has become more pronounced in LAC cities in recent years. A certain amount of segregation by socio-economic class has always existed in LAC cities, but the situation was exacerbated during the period of rapid urbanization when the new immigrants from rural areas tended to locate in informal settlements at the outer edges of cities. City governments did not anticipate these massive inflows and were not prepared to integrate these new settlements into the city proper or to provide them with municipal services. Many state housing initiatives implemented since then have also fostered the establishment of low income communities on the city outskirts, because land there was cheaper.

Large numbers of poor households continue to live in outlying areas, many of which have turned into slums, where sub-standard housing is common, what infrastructure exists is deteriorating and municipal services are still in short supply. Two new trends began to have an impact in the 1990s: (1) the movement of higher income groups into exclusive residential neighborhoods, where they can isolate themselves from many of the problems in the rest of the city and reduce their interaction with other social groups; and (2) the concentration of economically disadvantaged populations in the deteriorated areas of the center cities and the inner suburbs. These trends, taken together, have led to a weakening of the traditional integration mechanisms – public education, public health systems, and central areas for recreation and culture – that used to exist in LAC cities.¹⁰

The growth of exclusive residential communities is also helping to weaken the impetus for public action to improve the quality of life in urban areas to the disadvantage of the urban poor. These communities are not only exclusive, with expensive housing, they are also self-sufficient, with basic amenities and services, including security services,

⁹ Martin Ravallion, “New Evidence on the Urbanization of Global Poverty,” 2008. The urban share of the poor (i.e., those living on less than \$1 a day) was significantly lower in other regions in 2002 -- 19.9 percent in the Middle East and North Africa, for example, 24.9 percent in South Asia, and 30.2 percent in Sub-Saharan Africa.

¹⁰ ECLAC, “From Rapid Urbanization,” 2000.

obtained from private sources. This means that their residents are less dependent on the city to maintain their quality of life and, therefore, less likely to lobby for changes that would benefit the city as whole. In other words, today, many of the politically influential in LAC, who in the past would have been among the most effective in lobbying for improvements in the quality of life in their cities overall, now find that they are able to get faster and more reliable results through their own individual actions.

G. Negative Environmental Impacts and Risks a Growing Problem

The relationship between cities and their environment works in two directions. As LAC policymakers and citizens alike have begun to understand better in recent years, cities can be environmental culprits, but they are also subject to environmental risks. Like elsewhere in the world, air and water pollution are two big problems in LAC cities, driven by a number of factors including industrial growth, increased congestion, and poor sanitation and solid waste management. Various actors have documented the problems of air pollution; for example, an ECLAC (Economic Commission for Latin America and the Caribbean) publication estimated that air pollution represented an on-going health hazard for over 80 million of the region's city dwellers at the beginning of the 21st century and accounted for an estimated 65 million working days lost.¹¹

Many LAC cities are also vulnerable to natural disasters and extreme weather events, as the recent earthquakes in Haiti and Chile and the recurring hurricanes in the Caribbean and Central America and El Niño events in the Andes attest. Some of this vulnerability is due to physical conditions, location on a fault line, for example, or in low lying areas near the coast. However, the magnitude of the damages to people, property, and the environment is also heavily influenced by the fragility of the urban and industrial infrastructure, the quality of the housing stock, the lack or inadequacies of land use planning systems, the degree of preparedness and effectiveness of early warning systems, and the extent to which countries are institutionally and politically prepared to mount effective emergency response and reconstruction programs. Poverty and vulnerability to environmental risk are also closely associated in LAC, with many of the urban poor living in areas of cities that are at most risk and most adversely affected by natural disasters.

IV. THE CHALLENGES OF URBANIZATION

The future of LAC cities will loom large among the development challenges facing the region in the coming decades. In a globalized world, the sources of efficiency and dynamic growth for LAC countries will increasingly be found in urban centers. Urbanization, in other words, is not only inevitable; it is also a force for economic growth. But the urbanization process in LAC has also had a negative side. Poverty in LAC is becoming more urbanized; cities are becoming more segmented by socio-economic status; crime and violence in cities are growing; and LAC cities both contribute to environmental degradation and are at great environmental risk.

¹¹ ECLAC, "From Rapid Urbanization," 2000, p. 48.

The primary challenge for LAC in the coming years will be how to prepare for the urbanization that is going to take place (and cope with that which has already taken place) in order to reap the benefits from the economic growth associated with urbanization while reducing the costs, including congestion, crime, informality, and slums. Examples of more specific problems that will challenge LAC countries in the future include:

- **The current lack of clarity about the respective roles and responsibilities of national, state and local governments.** Many countries in LAC have made progress in recent years in decentralizing more responsibilities from their national governments to state and local governments. However, in many cases, this process of devolution has led to more ambiguity and confusion over the roles and mandates of national, state, and local governments in delivering services at the local level. These roles and responsibilities will need to be clarified and ways found to improve coordination and collaboration among the various actors. Metropolitan and regional agencies may be necessary where there is a mismatch between municipal boundaries and the urban economic foot print, for example, in order to deliver services more effectively and to promote economic growth.
- **The weak technical and managerial capacity within many local governments, which limits their abilities to plan and deliver services effectively.** More authorities have been devolved to cities as part of the decentralization process, but many do not have the technical or managerial capacity necessary to deal with these new responsibilities in an efficient and effective manner. These problems are likely to be particularly severe in the smaller and medium-size cities, which are also among the fastest growing in the region. Municipal staff will need more training; professional certification programs for municipal staff that elevate, professionalize, and promote their development have proven successful in some countries. Providing resources to local governments on the basis of performance might be another approach that could be used to increase the incentives for local governments to undertake the needed improvements.
- **The mismatch that many local governments struggle with between their responsibilities for service delivery, which have expanded, and their limited fiscal capacity.** Although many national governments have made progress in devolving responsibility for paying for and delivering services to local governments, they have retained control over significant revenue sources, including over some of the taxes and fees that are levied locally. The result is that many local governments have a narrow fiscal base, with sharply limited discretion over their own sources of revenue. New revenue sharing agreements between central and local governments will need to be worked out that are transparent, legal entitlements (rather than politically driven), and are untied (i.e., local governments are able to allocate these resources to the expenditure priorities they and their constituents have identified). Cities will also need to find new sources of resources in order to be able to meet the growing needs for improvements in urban infrastructure. So, more efforts will also be needed to help cities gain access to commercial credit on favorable terms.

- **How to meet the expanding need for more and better basic infrastructure to support the growth of urban economies.** LAC governments will need to make more and more effective investments in infrastructure – roads, ports, electricity, and communications – in order to exploit the benefits of agglomeration and promote economic growth in their urban areas as well as for their countries as a whole. Deficiencies in basic economic infrastructure can have real economic consequences. Estimates from the LAC region, for example, suggest that poor or inadequate infrastructure can reduce urban economic output by 10 to 15 percent.¹² Cities, to play a more effective role in meeting these infrastructure needs, will need to improve their planning processes, upgrade the technical and managerial competencies of their staffs, and experiment with alternative sources of finance, including through the development of public/private partnerships and/or commercial credit markets (also see above). The debates over which is preferable, the public or private provision of public infrastructure and services, are likely to continue, and cities will need to explore new types of arrangements that involve community organizations as well as public and private sector actors. New policies and investment programs and improvements in policy and program coordination will also be needed at the national and regional levels to enable cities to function as gateways to international markets and to improve the connectivity among and between cities (primary, secondary, and city clusters) and their economic hinterlands.
- **How to ensure that governments continue their commitments to maintain a supportive enabling environment.** It has become clearer in recent years that governments can be more effective in helping support the urbanization process by providing an environment conducive to economic growth regardless of location. For national governments, this means supporting policies that promote macroeconomic stability and growth, well-defined property rights, a good investment climate, an attractive incentive framework, functioning land and labor markets, and investments in education and infrastructure. LAC governments on the whole have made considerable progress in improving their enabling environments in the last several decades. But, they also have a long history of trying to influence the pace and/or location of urbanization through policies and programs whose adverse effects are now better understood.¹³ Cities can also attract more private sector investment by improving their own investment climate, including by reducing their own red tape.
- **Finding ways to improve the quality of life of the most disadvantaged urban residents that are effective and can be scaled up.** LAC countries have made considerable progress in improving the delivery of basic services, including water and

¹² The impact seems even higher on small firms and home based enterprises that cannot afford more reliable private sources of power, through the purchase of generators, for example. World Bank, “Urban Strategy,” p. 8.

¹³ This included policies and programs that taxed agriculture and subsidized the development of industries both directly (through state-owned industries) and indirectly (by providing urban workers in the formal sector in urban areas with government-sponsored food and housing subsidies and through unemployment and pension schemes).

sanitation, to urban residents. But too many of the region's urban poor still live in slums. Programs to improve living conditions in slums through extending affordable services to slum dwellers and investing in upgrading slums can have enormous benefits in terms of improved health outcomes. These programs can also help cities adapt to the risks of climate change, reduce environmental and social costs associated with slums and generate new employment opportunities for their residents. Slum improvement programs were particularly popular in the 1970s, but successes were few and donor support began to wane in the mid-1980s in favor of support for housing finance, adjustment loans, and the privatization of public services. Some more recent efforts in LAC appear to be more successful, including programs characterized by a strong political commitment at the central government level for legal and regulatory reforms with respect to land policy, programs to regularize land tenure and social inclusion policies (Brazil, Colombia, and Mexico), locally driven initiatives linked to social programs in partnership with local community organizations (Jamaica and Brazil), and programs focused on engaging the private sector, including through micro credit programs, as another source of support for the upgrading of slums.¹⁴ Challenges in the future will include building on these efforts, improving them and expanding them to a national scale.

- **How to improve urban land and housing markets.** Lack of adequate, affordable housing is still a major problem in most LAC cities, particularly for their poorest residents, with new approaches needed in addition to the “enabling markets” approach that was encouraged by the World Bank beginning in the early 1990s.¹⁵ Examples of actions that are needed in LAC include the elimination of regressive policies and regulations that put pressure on already limited access to land. Urban regulations are indispensable for markets to function, but they need to be assessed in terms of their impacts on land and housing supply, affordability, and structure. Mortgage markets need further development, but this will require improvements in land titling and enforcement of contracts. Housing micro finance offers promise as a way to reach individuals or families who build incrementally or are too poor to qualify for conventional loans. Examples exist of micro finance products that have served the low-income salaried poor, even those with irregular incomes, with encouraging results. One promising innovation, identified by the World Bank, is a “hybrid value chain” in which private sector companies (such as cement or floor tile companies) team with microfinance providers and citizens groups to lower the cost of producing housing.¹⁶
- **Reducing environmental degradation and promoting a safe and sustainable urban environment.** LAC cities will continue to face enormous environmental challenges and will need to learn how to build sustainability concerns into the way they plan for the future. Cities will need to find more effective ways to deal with the environmental health problems that city residents face in their homes and workplaces due to poor quality housing, cheap dirty fuel, and the lack of access to or poor quality

¹⁴ World Bank, “Urban Strategy,” p. 10.

¹⁵ This conclusion is discussed in the World Bank, “Urban Strategy,” p. 16.

¹⁶ Ibid., p.18.

of basic municipal services, water and sanitation services in particular. Air and water pollution will continue to be major challenges in LAC cities, especially for larger cities and cities that are heavily industrialized, and concerns about the potential effects of climate change on LAC cities are also growing. Another set of environmental challenges that are likely to grow in importance will involve changes in the larger eco-systems of which cities are a part. These include the unsustainable use of freshwater resources, the erosion of protective ecosystems, poor watershed management, and the expansion of cities into hazardous sites. Steps that the World Bank recommends that cities take to help reduce the size of their environmental footprint include putting more emphasis on public transportation, higher densities in land use patterns, and more energy efficient buildings.¹⁷

¹⁷ Ibid, p.20.

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ANNEX A. STATISTICAL ANNEX

Table 1: Percent Urban by Major Geographical Region by Selected Periods (1950-2050)

<i>REGION</i>	<i>PERCENT URBAN</i>					<i>RATE OF URBANIZATION (PERCENT)</i>			
	<i>1950</i>	<i>1975</i>	<i>2007</i>	<i>2025</i>	<i>2050</i>	<i>1950-1975</i>	<i>1975-2007</i>	<i>2007-2025</i>	<i>2025-2050</i>
Africa	14.5	25.7	38.7	47.2	61.8	2.28	1.28	1.10	1.08
Asia	16.8	24.0	40.8	51.1	66.2	1.42	1.66	1.24	1.04
Europe	51.2	65.7	72.2	76.2	83.8	1.0	0.29	0.30	0.38
LAC	41.4	61.1	78.3	83.5	88.7	1.56	0.78	0.36	0.24
North America	63.9	73.8	81.3	85.7	90.2	0.58	0.30	0.29	0.20
Oceania	62.0	71.5	70.5	71.9	76.4	0.57	-0.05	0.11	0.24

Source: UN Department of Economic and Social Affairs, Population Division, "World Urbanization Prospects: The 2007 Revision," p. 5.

Table 2: Latin America and the Caribbean: Urban Population as a Percentage of the Total Population by Country, 1970-2050

Country	Projections											
	1950	1960	1970	1980	1990	2000	2005	2010	2015	2020	2025	2050
Caribbean	36.8	40.1	45.5	51.7	56.0	61.6	64.3	66.9	69.3	71.5	73.6	82.6
Cuba	56.5	58.4	60.3	68.1	73.4	75.6	75.6	75.7	76.2	77.0	78.0	84.4
Dominican Rep	23.7	30.2	40.2	51.3	55.2	62.4	66.8	70.5	73.6	76.2	78.2	86.1
Haiti	12.2	15.6	19.8	20.5	28.5	35.6	42.7	49.6	55.6	60.7	64.7	78.9
Jamaica	24.1	33.8	41.4	46.8	49.4	51.8	52.7	53.7	55.3	57.2	59.6	72.5
Central America	39.2	46.4	53.8	60.3	65.0	68.7	70.2	71.7	73.2	74.7	76.2	83.3
Belize	55.3	54.0	51.0	49.4	47.5	47.8	50.2	52.7	55.3	58.0	60.8	74.0
Costa Rica	33.5	34.3	38.8	43.1	50.7	59.0	61.7	64.3	66.9	69.3	71.6	81.5
El Salvador	36.5	38.3	39.4	44.1	49.2	58.4	59.8	61.3	63.1	65.0	67.2	77.8
Guatemala	25.1	31.1	35.5	37.4	41.1	45.1	47.2	49.5	52.0	54.7	57.8	71.8
Honduras	17.6	22.7	28.9	34.9	40.3	44.4	46.5	48.8	51.4	54.3	57.3	71.7
Mexico	42.7	50.8	59.0	66.3	71.4	74.7	76.3	77.8	79.3	80.7	82.0	87.6
Nicaragua	35.2	39.6	47.0	49.9	52.3	54.7	55.9	57.3	59.0	61.0	63.3	75.1
Panama	35.8	41.2	47.6	50.4	53.9	65.8	70.8	74.8	77.9	80.3	82.1	88.7
South America	42.7	51.0	59.7	68.3	74.5	79.5	81.8	83.7	85.2	86.4	87.4	91.4
Argentina	65.3	73.6	78.9	82.9	87.0	90.1	91.4	92.4	93.2	93.8	94.3	96.0
Bolivia	33.8	36.8	39.8	45.5	55.6	61.8	64.2	66.5	68.8	71.0	73.1	82.2
Brazil	36.2	44.9	55.8	67.4	74.8	81.2	84.2	86.5	88.2	89.5	90.4	93.6
Chile	58.4	67.8	75.2	81.2	83.3	85.9	87.6	89.0	90.1	91.0	91.7	94.2
Colombia	32.7	45.0	54.8	62.1	68.3	72.1	73.6	75.1	76.6	78.0	79.5	86.0
Ecuador	28.3	33.9	39.3	47.0	55.1	60.3	63.6	66.9	69.9	72.5	74.8	83.6
Guyana	28.0	29.0	29.4	30.5	29.5	28.6	28.2	28.5	29.4	31.2	33.7	51.1
Paraguay	34.6	35.6	37.1	41.7	48.7	55.3	58.6	61.5	64.4	67.1	69.6	80.2
Peru	41.0	46.8	57.4	64.6	68.9	70.7	71.1	71.6	72.5	73.6	74.9	82.5
Uruguay	77.9	80.2	82.4	85.4	89.0	91.3	92.0	92.5	93.1	93.5	94.0	95.6
Venezuela	47.3	61.6	71.9	79.2	84.3	89.7	92.3	94.0	95.2	95.9	96.3	97.5

Source: UN Department of Economic and Social Affairs, Population Division, "World Urbanization Prospects: The 2007 Revision," pp.78-81.

Table 3: The Urbanization of Poverty in LAC, 1993 to 2002

Year	Number of Poor (Millions)			Headcount Index (%)			Urban Share of the Poor (%)	Urban Share of the Population (%)
	Urban	Rural	Total	Urban	Rural	Total		
\$1 a Day (\$1.08 in 1993 PPP)								
1993	26.1	28.6	54.6	7.8	22.4	11.8	47.7	72.3
1996	31.0	29.1	60.1	8.7	22.8	12.4	51.6	73.6
1999	33.9	29.8	63.7	8.9	23.5	12.6	53.2	75.0
2002	38.3	26.6	64.9	9.5	21.2	12.3	59.0	76.2
\$2 a Day (\$2.15 a day in 1993 PPP)								
1993	75.9	60.4	136.3	22.8	47.3	29.6	55.7	72.3
1996	95.1	61.6	156.3	26.7	47.9	32.2	60.9	73.6
1999	102.6	61.6	164.2	27.0	48.5	32.4	62.5	75.0
2002	111.1	58.5	169.4	27.5	46.4	32.0	65.6	76.2

Source: Martin Ravallion, et.al. "New Evidence on the Urbanization of Global Poverty," Background paper for the World Development Report 2008.