Cities are shaping our collective fate in nearly every respect. As the predominant locus of human settlement, cities already wield considerable power and will continue to increase their influence in the decades to come. Cities generate most of the world’s wealth. They are the places where citizenship and political participation are defined, redefined, and contested. They are the sites where global challenges ranging from climate change and natural resource depletion to international security problems are felt. In other words, we have seen the future, and it is urban. If humankind’s most pressing challenges are to be solved during this century, the world’s foreign and security policy establishments must not only become more cognizant of mass urbanization, but begin creating the processes that will productively integrate cities within global governance structures. These policy establishments are already behind the curve, for cities have been going about building parallel global governance structures on their own for some time now. They have become important actors in shaping global politics, helping to forge new patterns of transnational relations.

The US National Intelligence Council’s (NIC) *Global Trends 2030* report, released in December 2012, focused on how relatively certain megatrends and uncertain disruptive factors will shape the world of 2030.¹ The report recognized that cities will be key points of convergence for these trends across a variety of contexts. For instance, urbanization is hastening the global diffusion of power. Cities themselves are increasingly important nodes of power. Economically, cities produce the goods that citizens procure. Ecologically, cities are where most of the

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world’s resources are consumed and much of its waste produced. But cities also foster power diffusion by enabling individual empowerment. Cities provide individuals with easier access to education, services, economic opportunity, and ideas. At the same time they erode traditional social structures and build new identities, forming the conditions in which citizens become engaged in politics. If the best-case 2030 scenario (“Fusion”) outlined in the Global Trends 2030 report is to be realized, the bulk of the world’s cities will have to provide a wide range of services and opportunities for billions of people within a context of constrained natural resources and a more volatile climate.

In April 2013, the Atlantic Council’s Strategic Foresight Initiative, in partnership with the Government of Sweden, convened a workshop to address how policymakers can come to grips with this fundamental global transformation. The insights by the workshop’s invited experts—Tim Campbell of the Urban Age Institute, Billy Cobbett of the Cities Alliance, Reta Jo Lewis of the US Department of State, and Jaana Remes of the McKinsey Global Institute (MGI)—informed this Issue Brief.

Our Demographic Destiny
Cities are ancient phenomena—long predating the nation-state—but it was not until 2008 that more than half the world’s population lived in them. While the word “city” has multiple definitions, demographers agree that more humans now live in citylike areas (consisting of some combination of core cities, adjacent suburbs, and peri-urban areas) than in rural areas. This moment signaled the most important demographic turning point in human history, marking the statistical end of a long, rural-delineated age and the beginning of an urban-delineated one. It formalized in numbers what was already obvious, that the city has become our species’ permanent and irreversible home.

The rural-to-urban transformation has accelerated dramatically over the past two centuries. At the dawn of the Industrial Revolution around 1800, only about three percent of the world’s population lived in cities. But over the next century and a half, driven by industrialization, hundreds of millions of people migrated from farm and field into the city. By 1950, the share of city dwellers had risen to around thirty percent of the global population. Urbanization rates were highly uneven, with much higher rates in Europe, Latin America, North America, and Australia than in other regions. Between 1950 and the present, however, urbanization enveloped the rest of the world, with the most rapid growth shifting to Asia and Africa. Nor is this process finished. Demographers estimate that by 2030 cities will be home to 60 percent of the world’s total population. Shortly thereafter, every one of the world’s inhabited continents will have more people living in cities than in rural areas. In terms of absolute scale, current trends almost defy belief. Globally, cities are now growing by about 70 million people annually, equivalent to adding roughly thirty-five Stockholms or two Tokyos to the world every single year. By 2050, urban residents will count for 6.3 billion people out of a global population of 9 billion. That means the world’s urban population in 2050 would be nearly as large as the world’s total population today and about ten times the size of the world’s population in 1950.

Futures of Light and Shadow
The urbanization of our species will be a story containing elements of both light and shadow. On the one hand, as Jaana Remes said at the April 2013 Atlantic Council workshop, the urbanization megatrend could be one of the most positive developments in human history. When functioning at their best, cities encourage trade and technical innovation, the arts and education, and social tolerance and political citizenship while imposing low burdens on local, regional, and global ecosystems.
Humankind will benefit enormously if the world’s cities are built, designed, and governed to be economically productive and innovative, socially inclusive, environmentally sustainable and resilient, and safe and secure. Such cities enhance national stability and prosperity while making global governance much less difficult. However, urbanization might not lead to such a world. When functioning at their worst, cities increase the risk of political instability, make residents’ lives insecure through crime and violence, encourage illicit trafficking, contribute to pandemic disease formation, and constrain national economic performance, while stressing local, national, and global ecosystems. Such cities make global governance far more difficult.

Cities exist because they facilitate human exchange. Their key contribution to humankind, whether in the distant past or today, lies in their density of people, structures, and infrastructure. Cities create physical proximity, which encourages the circulation of people, goods, and ideas. This simple fact enables the division of labor, technical and organizational innovation, the creation of institutions, and the formation of wealth and capital. As the economist Edward Glaeser, observing that per-capita incomes in the world’s majority-urban societies are four times those of majority-rural societies, puts it, “urban density provides the clearest path from poverty to prosperity.” The implication is that mass urbanization not only will raise the incomes of the world’s poor, it will also make the entire world wealthier. Urbanization trends are reshaping the global political economy and in so doing are altering the global balance of power. Remes’s MGI has made a strong case that the rapid and historic West-to-East shift in the global economy is due in large part to East Asia’s rapid urbanization. The firm forecasts that within a decade, twenty-nine of the seventy-five “most dynamic” world cities will be in China, including four of the world’s top five and five of the top ten.

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6 In the MGI study, “dynamism” is loosely defined, but it is a combination of population, economic size, and rate of economic growth in the year 2025. See Richard Dobbs and Jaana Remes, “Introducing...the most dynamic cities of 2025,” and Elias Groll, “The east is rising,” in Foreign Policy (Special Issue, September/October 2012), 63-7. During the April 2013 workshop, Jaana Remes reiterated the claim that urbanization drives the west-to-east economic shift.
Ecologically, if designed properly, cities can offer many advantages as well. People who live in denser cities (and the denser parts of metropolitan regions) tread more lightly on the earth than those of similar means living in lower-density areas. In dense cities, people live in smaller houses (think of the average apartment size in Manhattan), hence consume fewer and smaller appliances and other household goods. Because density shortens distances, it is far easier to travel on foot, bicycle, or mass transit in places like Manhattan and downtown London than in suburbs, exurbs, and rural areas. Per-capita energy consumption thus tends to be lower in higher-density areas than in similarly wealthy, less-dense ones. Urban life also creates important social-ecological effects. Fertility rates are lower in cities than in rural areas, for instance, and urbanization is a key driver for slowing and eventually stopping global population growth. For all these reasons, “sustainable city” advocates contend that good urban design can solve the world’s greatest ecological challenges.  

But urbanization’s sunny side, as Billy Cobbett argues, is not guaranteed. The reality of global urbanization has brought with it some major headaches. If these problems are not dealt with adequately, the world easily might contain hundreds if not thousands of cities that fail in critical respects. Much of the world’s new urban growth consists of so-called “informal settlements,” a euphemism for the slums of the developing world. One billion people already live in such places, and another billion are projected to by 2030. Having so many living in slums is a path to disaster. In these conditions, criminals and organized terror networks easily traffic in drugs, humans, arms, and instruments of terror. Communicable diseases form and can be spread quickly into global pandemics via city-to-city transmission. Slum dwellers themselves are not the problem, as they are important assets for economic development. But there is much concern that poor planning and governance of developing-world cities—including the failure to positively engage slum-dwellers—will both diminish national economic growth and leave behind a huge urban underclass.  

At the same time, the wealth that follows urbanization also generates its own set of problems. The urbanization of our species is lifting hundreds of millions, even billions, into the global urban middle

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class. This growing wealth is a good thing, but it also has an enormous downside in the form of increasing energy, water, food, commodities, and goods consumption. These things have to come from somewhere, and the waste involved in making and consuming them has to go somewhere. China’s experience is illustrative. As China has gotten rich through urbanizing, it has also created a wholly unsustainable future for itself and the world. China’s urbanization has created an insatiable appetite for more energy, water, and consumer goods. In so doing, China has fouled its air and rivers and become the world’s largest carbon dioxide emitter.9

Finally, cities should be thought of as the physical spaces where humanity’s diverse currents intersect. Cities create and recreate social and economic inequalities. They are cultural mixing bowls, where the traditional and the modern, the old and the young, and the established and the avant-garde all clash and recombine, resulting in new forms of cultural expression and types of social relationships. Most importantly, because cities concentrate people into small spaces, they create a massed citizenry and an urbanized politics. An urbanized body politic can call national governments and the state itself into question, as is occurring during the Arab transitions. Daniel Serwer, a Middle East expert, observes that “the narrative of Arab revolution reads like a tale of many cities,” arguing that cities have been the sites for nearly all the recent mass demonstrations and revolutionary activity in the Middle East and North Africa.10

Westphalia Revisited
The Westphalian state system, the theoretical basis of international politics since 1648, is premised upon several core principles, including state sovereignty,

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territorial integrity, and the inviolability of national boundaries. Above all, it privileges the nation-state as the central actor in global affairs. This system and these core principles are now under considerable stress. For decades, supranational actors such as the United Nations and European Union have nibbled at its edges. More recently, as the Global Trends 2030 report outlines, sub-national actors have taken huge bites out of it as well. Empowered individuals, globally-oriented NGOs, multinational firms, and sub-national political actors are all engaged in building transnational networks and parallel forms of global governance.

Michael Bloomberg, mayor of New York City, is a megacity politician in this vanguard. Bloomberg is the current chair of the C40 Cities Climate Leadership Group, an initiative designed to bring the world’s largest cities together to find actionable solutions to the climate change problem. C40’s very existence is evidence of the failure of the interstate (i.e., United Nations) climate negotiation process to produce a workable climate stabilization regime. It also provides a concrete illustration of how mayors are willing to address problems that have escaped the capabilities of the interstate system. The political scientist Benjamin Barber, author of a forthcoming book appropriately titled If Mayors Ruled the World, believes that this willingness reflects an “inherent disposition of cities to cooperate.” Implicit is the idea that the realities of daily life in cities force mayors to develop workable solutions to practical challenges. “Cities are the real laboratories of democracy,” Bloomberg argues, “because voters expect local leaders to be problem-solvers, not debaters.” Mayors have a strong incentive to identify and adopt policy innovations that have proven successful in other places, including from

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abroad. C40 embodies this spirit, emphasizing learning and policy transfer rather than the tedious negotiation of complex multilateral documents.

C40 highlights the formation of an increasingly self-aware and assertive form of locally-based global leadership. While cities and city-based organizations complain that their agendas are not yet integrated into interstate governance processes, time is clearly on their side. Mayors understand the world's shifting demographics and its trending economics, both of which are in their favor. New York has a GDP roughly the size of Canada, Chicago that of Switzerland, and San Francisco that of Thailand.14 Aware of this clout, the world's mayors have forced their way into the global conversation in an aggressive and organized fashion, and cities' growing power ensures that the interstate system will have to accommodate them over time. Some observers suggest that that time is already here. "As cities continue to arrogate major diplomatic and economic functions," the authors Michele Acuto and Parag Khanna ask, "should we still be talking about international relations?"15

Some precaution is justified. When it comes to global governance and security, the interstate system provides core public goods that cities cannot do without. Interstate governance frees mayors and other local leaders from having to worry about different forms of insecurity such as foreign invasion, high-seas piracy, or management of the global commons. If the world consisted only of city-states, mayors would have to handle these issues, and the outcome might be no better than what our current system provides. Singapore, the world's only sizable city-state, has to plan for defense like any other country. Without a national cocoon, the city of Singapore is fully exposed to the international system. It is thus forced to act like other states, forging military alliances with other countries and developing "the best-equipped [military] force, navy, and army. East Asia's recent diplomatic tensions are forcing Singapore to expand this arsenal as part of a regional naval buildup."16

Foreign Policy for an Urban World
Theoretical debates aside, the transnational processes described here represent the leading edges of attempts to revamp the global governance system to fit the realities of this century. A central question for national governments will be whether they can recognize this phenomenon's significance and build structures to take advantage of it. To begin building a foreign policy for this urban world, policymakers should work through several pathways.

Embrace the City's Legitimacy and Importance
The first step is for national governments to recognize and accept that cities are a country's jewels and deserve to be treated as such. If built and governed correctly, cities provide critical economic, political, social, and ecological benefits. They also are not going anywhere. National governments should recognize that prioritizing cities' ongoing development and refinement is a recipe for building more secure, prosperous, sustainable, and resilient societies.

A corollary is the need to enhance the role and profile of local government within national governance systems. Local politics is often viewed in inferior terms. In many countries, rural interests dominate national parliaments, and rapidly growing cities are viewed with suspicion.17 (This can be true in rich countries as well. In the United States, despite the fact that demographic and real estate trends are moving in their favor, urbanists perpetually struggle against anti-urban sentiment.)18 As odd as this observation may seem, it nonetheless carries much truth. Survey data show that many developing country governments have policies designed to slow the rate of urbanization.

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14 Richard Florida, "If US cities were countries, how would they rank?" The Atlantic (July 21, 2011), http://www.theatlantic.com/business/archive/2011/07/if-us-cities-were-countries-how-would-they-rank/241977/.
17 Our thanks to Billy Cobbett for this insight.
Yet urbanization will continue to occur regardless of how governments feel about it. As the academics David Bloom and Tarun Khanna write, it is “more important to plan for and adapt to increasing urbanization... than to attempt to prevent it.”

National governments can facilitate healthy urban development. Where local governance is weak, national governments can provide financial and institutional support for building expertise and governance capacity in city planning and related technical areas. In so doing, national support paradoxically might require the devolution of some powers to local governments. National governments can help strengthen local financing systems, for instance, and allow local governments to keep a larger share of tax revenues. National support must also include smart investments in the infrastructure that cities need, including utilities and transport linkages (ports, airports, and intercity connections) as well as green infrastructure that protects ecosystems while providing usable public services. National governments can hasten the adoption of ‘smart city’ systems, which use information and communications technologies to deliver urban public services more effectively at much lower cost. The timing is ripe for such interventions, as major multinational firms are now fully engaged in this space.

Finally, national governments can provide security assistance to local governments at critical moments, as when a local government becomes overwhelmed by organized criminal or terror networks.

Facilitate Policy Learning and Transfer
City leaders see their participation in global affairs in positive-sum terms, where dialogue is about cooperation, exchange, trade, and mutual gain rather than conflict management. At our workshop, Tim Campbell stressed the significance of city-to-city learning as among the best methods the world has to transfer innovative and productive practices and techniques from one society to another. In Campbell’s book on the subject, Beyond Smart Cities, the world’s most advanced cities, such as Seattle, are “learning cities” that value the “deliberate and systematic acquisition of knowledge” and actively build transnational partnerships to adapt policy innovation from elsewhere.

Unfortunately, despite the gains to be realized, cities do not engage in these exchanges as often as they could or should. Their reluctance might be driven by financial, political, or other constraints. Regardless of the cause, this is a sub-optimal situation for themselves, their countries, and the world writ large. National governments can step into this breach and play an important role through financial and institutional support mechanisms that facilitate city-to-city learning and policy transfer.

Nation-states have much to gain in this context. Cities help create and solidify national reputations abroad (what Barcelona is to Spain, for example, or what Dubai is to the United Arab Emirates). Investing in city-to-city exchanges and international forums focused on urban issues enables a country, through its cities, to show itself off. Additionally, such support demonstrates a country’s engagement with critical global issues. One example is Sweden’s SymbioCity platform, which is a government-led initiative that “promotes an integrated, holistic, and multidisciplinary approach to sustainable urban development” through taking advantage of Sweden’s “knowledge and experience in working toward urban sustainability.” Swedish foreign policymakers highlight this platform as an example of Swedish innovation, technical know-how, and global goodwill. The government works with partners in India, China, and elsewhere using the SymbioCity model, providing Swedish firms with access to foreign markets. The platform therefore constitutes a form of Swedish soft power and a tool for economic diplomacy.

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Build Cities into Governance Architecture

National governments and intergovernmental organizations should reform institutional structures to reflect the world’s shifting demographics, avoid blind spots, and take maximum advantage of the urbanization of our species:

- Foreign ministries can reposition their on-the-ground staffing and resources, which prioritize diplomatic staffing according to an interstate rather than intercity logic. In the diplomatic arena, national capitals carry far more weight than other cities, despite the fact that non-capital cities can have greater demographic and economic clout than national capitals.23 Shanghai, Istanbul, Mumbai, Karachi, São Paulo, Johannesburg, Sydney, Toronto, New York, and Casablanca are all good examples.

- National security organizations should recognize that the core of the global security challenge has shifted to cities. Planning for possible military and security operations conducted in complex urban environments is a significant national security challenge. To best avoid urban conflict, security organizations will have to develop a sophisticated understanding of cities and their residents, which will require working closely with local political leaders and urban development experts. Security organizations that possess significant air- and sealift capacity and other assets such as rapid response capabilities (e.g., US Navy, Coast Guard, and Marines) will increasingly be needed to support disaster relief operations in cities. Their participation in such operations likely will become more necessary as weather becomes more extreme owing to climate change and as larger numbers of people live in vulnerable low-lying coastal cities.

- Domestic and international aid agencies will need to give urban development as much funding and programmatic emphasis as rural development, which has historically dominated these institutions. Urban advocates within aid

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23 This point is made in Richard Dobbs et al. 2011, 2. We also thank Reta Jo Lewis for a similar insight.
agencies often lament that they have to fight powerful vested sectoral interests that have succeeded in defining development as a rural exercise with agricultural modernization at its core. Further, advocates have had to combat the notion that the city is itself just another sector and is thus deserving of no more than a few specialists’ attention. Such views miss not only the basic demographic reality that global poverty is rapidly becoming an urban phenomenon. They also miss the far more significant underlying insight that cities are transformative of everything from social relationships to economic opportunity to citizenship and political participation. One unfortunate institutional result is that aid agencies fight intense rural-versus-urban battles that gloss over the reality that the urban and the rural are joined at the hip. For example, agricultural modernization creates surplus rural laborers who are forced to migrate to cities. Wages earned by these newly-arrived urban workers find their way back to villages as remittances, raising the incomes of the remaining villagers and thereby contributing to rural development.  

- Interstate institutions can be resources by committing to standardized data collection. Intergovernmental organizations such as the OECD, UN, and World Bank can coordinate transnational urban-based data collection. An example is the Global City Indicators Facility (GCIF), a public-private partnership sponsored in part by the World Bank that collects data from member cities using a globally standardized methodology. Such data are especially valuable for comparing basic urban metrics across national contexts, e.g., emissions, demographics, transportation patterns, and economic performance.

The world’s diplomatic and national security communities have yet to grasp the full significance of urbanization, although there are indicators that suggest change is afoot. Perhaps their reluctance has to do with the long shadow cast by the centuries-old Westphalian system, which privileges the state in international affairs. Perhaps it has had to do with the distinction between high politics (anything involving the state’s survival) and low politics (everything else). Whatever the case, the current system reserves diplomacy for nation-states and their designated representatives only. Yet as this brief has shown, the twenty-first century will require that the diplomatic and national security communities adopt an urban lens through which to view the greatest demographic shift in human history.

AUGUST 2013


26 On this rural-urban-rural migratory interface, see especially Doug Saunders, Arrival City: How the Largest Migration in History is Reshaping our World (New York: Pantheon, 2011).
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