

## DEPARTMENTS

- 2 **Letters**
- 3 **In Brief**
- 4 **People in Economics**  
*Prakash Loungani* profiles Harvard macroeconomist Robert Barro
- 18 **Picture This**  
**The March of the Cities**  
*Patrick Salyer and David E. Bloom*
- 46 **Back to Basics**  
**Why Real Exchange Rates?**  
*Luis A. V. Catão*
- 52 **Book Reviews**  
*Ethics and Finance: Finding a Moral Compass in Business Today*, Avinash D. Persaud and John Plender  
*Legal Foundations of International Monetary Stability*, Rosa Maria Lastra  
*The Practice of Economic Management: A Caribbean Perspective*, Sir Courtney Blackman  
*Essays on the Organization of Eastern Caribbean States (OECS) Economies*, Dr. S.B. Jones-Hendrickson
- 55 **Country Focus: Mexico**
- 56 **Straight Talk**  
*Simon Johnson: The Rise of Sovereign Wealth Funds*

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## The urban tipping point

**W**ITHIN the next year, for the first time in history, more than 50 percent of the world's population will be living in urban rather than rural areas, according to recent UN projections. Some 75 percent of the city dwellers will live in developing countries—a figure that is expected to rise to 80 percent by 2030.

What are the economic implications of this urban revolution? In the September *F&D* cover story, Harvard's David Bloom and Tarun Khanna tell us that economists generally agree that urbanization, if handled well, holds great promise for higher growth and a better quality of life. But the flip side is also true: if handled poorly, urbanization could not only impede development but also give rise to slums and other social problems, such as crime and violent conflict. In 2007, the UN reports, the world hit another record: more than one billion people are living in slums—that's one out of every three urban dwellers worldwide, and more than double that in sub-Saharan Africa.

Is poverty becoming an urban phenomenon in the developing world? The World Bank's Martin Ravallion reports that 75 percent of the developing world's poor still live in rural areas, although there are some marked regional variations. But the share of the poor living in urban areas is rising, and more rapidly than for the population as a whole. Moreover, he says, "by facilitating overall economic growth, population urbanization has helped reduce overall poverty—however, the process of urbanization has affected rural poverty more than urban poverty."

As part of this urban revolution, we're witnessing the development of more megacities (more than 10 million people)—although, despite their size, they're home to only about 5 percent of the world's population. Of the top 20 megacities, the greatest number are in Asia, with Latin America a distant second. And we learn from the IMF's Ehtisham Ahmad that, perhaps not surprisingly, megacities have megaproblems when it comes to governance, funding, and the provision of services.

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Given that so much responsibility rests with policymakers to handle urbanization well, we turned to experts from Asia and Africa, the regions with the fastest-growing urban populations, for their insights. They all agree that, so far, the appropriate devolution of power among different constituencies doesn't seem to be happening. Matthew Maury of Habitat for Humanity International points to Africa's inability to provide adequate space, shelter, and services for its rapidly migrating low-income population. The National University of Singapore's Kishore Mahbubani suggests that few Asian cities realize that becoming global centers entails developing the right balance of strengths in "hardware" (physical infrastructure) and "software" (the cultural excitement that lures great talent). And India's Ramesh Ramanathan and Swati Ramanathan, of the Janaagraha Centre for Citizenship and Democracy, call for greater grassroots participation in urban problem solving to achieve sustainable change.

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