

What Makes Cities Healthy?

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Authors' Abstract

The benefits of good health to individuals and to society are strongly positive and improving the health of the poor is a key Millennium Development Goal. A typical health strategy advocated by some is increased public spending on health targeted to favor the poor and backed by foreign assistance, as well as by an international effort to perfect drugs and vaccines to ameliorate infectious diseases bedeviling the developing nations. However, if the objective is better health outcomes at the least cost and a reduction in urban health inequity, our research suggests that the four most potent policy interventions are: **water and sanitation systems**; urban land use and transport planning; effective primary care and health programs aimed at influencing diets and lifestyles; and education. The payoff from these four in terms of health outcomes dwarf the returns from new drugs and curative hospital based medicine, although these certainly have their place in a modern urban health system. We find moreover that the resource requirements for successful health care policies are likely to depend on an acceleration of economic growth rates which increase household purchasing power and enlarge the pool of resources available to national and sub-national governments to invest in health related infrastructure and services. Thus, an acceleration of growth rates may be necessary to sustain a viable urban health strategy which is equitable, and to ensure steady gains in health outcomes.

EIGHT "STYLIZED FACTS"

Stylized Fact #1:

The worldwide trend towards urbanization is irreversible and could accelerate. The urban sector currently accounts for more than 55 percent of GDP in low-income countries and 85 percent in industrialized countries. It will generate the bulk of future economic growth and most of the new employment. For these reasons, the urban sector will be the focus of economic policies encompassing growth and health.

Stylized Fact #2:

Poverty is on a trend line to becoming a predominantly urban phenomenon, with its scale largely determined by how many and what kinds of jobs are created in cities.

Stylized Fact #3:

Migration to urban centers all too frequently results in the emergence or spread of slums. These slums can adversely affect the business climate in cities and they can be the source of poverty traps for slum dwellers. Continuing and even accelerating migration to cities unless

matched by investment in suitable urban infrastructure, will lead to an increasing incidence of slums which could constrain the economic prospects of major urban centers.

Stylized Fact #4:

Slums are largely a consequence of mismatches between migration to cities and the absorptive capacity of cities. Once formed, slums perpetuate and even worsen the health status of the inhabitants and widen urban income inequality often by trapping slum dwellers in low end casual jobs.

Stylized Fact #5:

Raising the growth of GDP is the surest way of reducing poverty. This is borne out by cross country analysis, and by longitudinal country studies in China and India for example. Moreover, growth generates the resources for additional expenditure on social services which can lead to further gains in health and health equity and reinforce the effects of higher household incomes.

Stylized Fact #6:

The principal determinant of growth in developing countries, and most notably the industrializing economies of East Asia, is always capital, followed by labor – human capital – and then by total factor productivity (TFP). Developed countries derive most of their growth from TFP.

Stylized Fact #7:

In the vast majority of cases, economic growth in the developing world has been associated not just with rising incomes but also with rising income inequality (at varying rates). This inequality stems from household income cleavages between the rural and urban sectors, among regions – with coastal regions often registering more favorable economic outcomes – and, to a lesser extent, among households in urban areas. Income inequality is severe in cities such as São Paulo and Hong Kong, and it is high and worsening in cities such as Singapore, Karachi and Jakarta.

Stylized Fact #8 – Clean Water and Sanitation make Healthy Cities

Rising per capita urban incomes can set the stage for investment in water and sanitation infrastructure, so as to provide the broad mass of the urban population with access to affordably priced and reliable services. Furthermore, investment in urban infrastructure was and is a key driver of growth and employment.