Chapter 1
A New Colorful Pathway Chosen: The Emerging Trend of Colored Urban Economies

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ABSTRACT

In response to the rapid population growth and rapid urbanization, governments and entrepreneurs worldwide are spinning off many types of green, blue, and silver policies to generate urban growth or to reduce the effects of grey, brown, and black economies that have negative growth activities. Central to the emergence of these economies is digital technology that is contributing virtual and white economy to the list. This chapter explores the motives underpinning the emergence of these economies; the key policy actors and their main activities, policy tools, and strategies and growth outcomes at various levels. The chapter starts with a short introduction and develops a conceptual framework with which to analyze the trends policy-goals that shape the growth activities and the emerging growth patterns and consequences at the subnational, national, and supranational levels.

INTRODUCTION

Over the centuries, the processes of urbanization and natural resources (especially land) development have been engaged in an unbalanced conflict. Since the financial crises of 2008, however, it seems urbanization has the upper hand. That date is estimated to be the beginning of urban majority population worldwide and henceforth most urban growth will occur in Asia followed by Africa and Latin America (hereafter referred to as the global South) and China, India and Nigeria are expected to generate 90% of this growth (UNDESA, 2014). Within the global South, the urban population is expected to double between 2000 and 2030, but in this period, the urban footprint is projected to triple from 200,000 to 600,000 square kilometers (Angel et al., 2005). The size of this increase in land area is equal to the total built-up area worldwide in 2000, implying that the global South needs to build an entirely new urban world in just three decades (World Bank, 2010).

Cities are the engines of growth: Duranton (2008), for example, found strong evidence that cities globally bolster productive efficiency but it is inconclusive that they promote self-sustaining growth in developing countries. World Bank (2000) reports that goods and services are often produced most efficiently in cities of high population concentration, with access to a skilled labor pool, a network of firms as suppliers, and a large customer base. The role of globalization to growth engine concept is it creates new possibilities for worldwide linkages; it also reinforces certain advantages of proximity, which supports demand for increased localization of political power.

The financial crisis of 2008 and its rude awakening about the instability of the political economy suggest that the current elite-centered growth model and its effects on the natural resources “threatens the foundations of long-run growth and development” (OECD 2017). Given that natural resources are the key to economic growth and that the planet contains only a finite amount of them, clearly upward and onward growth is not a sustainable model (Vavrek and Chovancova 2016). Thus, seeking more inclusive and sustainable growth approaches should be at the top of growth policy agenda.

The aims of this chapter are:

1. To identify the emerging urban economic models that could serve global South now and in the future
2. To explore how to utilize them to develop the diverse natural, human and technological resources
3. To explore the development impacts of the colored urban economic models

Achieving these objectives requires a careful review of the current situation, the trend and impact analysis. Given the dramatic shifts and imbalances created in the global socio-economic and geopolitical systems caused by the 2008 financial crisis (Fujita 2013), it seems unwise to rely on the largely discredited Western models to guide the future urban economies in the global South (Brown 2017).

Emerging out of the crisis perspective environment are diverse approaches to the planning of new urban economy around the world. A preliminary review of these models shows that they are identified as Green, Blue, Brown, Silver, Grey, Black, White and Colorless (Virtual) Economies. These are categorized as Grow with Nature (Green, Blue, and Silver) Economies, Grow with Human Capital (Black, Grey, and Brown) Economies, and Grow with Technology (Virtual and White) Economies. The color reflects the emphasis of resource base use whether nature, urban built physical or social environment, targeting the aging population or is based on the application of the digital technology. Each is defined, analyzed in terms of their size, global span and growth promoting characteristics and their potential in the global South are assessed.

BACKGROUND

Literature Review

The current path of economic development places human survival in jeopardy. This is due to the severe stress on the environment and human livelihood resulting from unsustainable forms of production and consumption, excessive finite resources dependency, with the impact of climate change widespread and growing. Society is responding to these threats through green growth and green economy policies seeking to develop a low-carbon, resource efficient and socially inclusive development pathway (Rödiger-Vorwerk