

Rural development in an urbanising world

Rural development and urbanisation are often seen as competing, but in most cases are intimately linked. It is essential that policies reflect and support the many positive links between rural and urban areas, enterprises and people. This in turn requires a better understanding of urbanisation processes and the role of small towns.

Since 2008, it is estimated, for the first time in history, over half of the world's population has been living in urban centres. This is now a familiar statement, but to understand what it really means, and its impact on rural areas, it needs some unpacking. First of all, this is an estimate based on projections made between censuses. Since censuses take place (usually, but not always) every ten years, trends can change: for example, economic and/or political crises can result in people moving out of towns and cities and returning to rural home areas. While this is unlikely to affect global trends, it can make a substantial difference at the national and regional levels.

A second important point is that there is no universal definition of what constitutes an urban centre: for some nations, this includes settlements with populations larger than 20,000, for others larger than 5,000, for others, again, any administrative centre qualifies. Definitions can also change over time. Clearly, this makes international comparisons difficult.

Cecilia Tacoli

Senior Researcher
International Institute for Environment and Development (IIED)
London, Great Britain
cecilia.tacoli@iied.org

Rural 21 – 01/2011

■ Regional differences

There are also significant differences in the levels of urbanisation between different regions. Industrialised regions (North America, Australasia and Europe) that started urbanising earlier have the highest levels of urbanisation, with between 70 and 80 percent of their populations classed as urban. Latin America and the Caribbean have an exceptionally high level of urbanisation (78 percent), but this is only 38 percent in Africa and 41 percent in Asia. Because of these low current levels, Africa and Asia are predicted to become the fastest urbanising regions in the next century; however, it is also expected that by 2050 their levels of urbanisation will still be lower than those of industrialised countries and the Latin American and Caribbean region. In other words, by the mid-cen-

tury a large proportion of their population will still be living in settlements classed as rural.

■ What underpins urbanisation?

There is a strong correlation between urbanisation and increases in the proportion of GDP generated by industry and services and by increases in the proportion of the labour force employed in these sectors. In many cases, this also results in higher per capita incomes, although not necessarily in a better distribution of wealth. It is thus important to understand urbanisation as closely linked to socio-economic transformations.

Urbanisation strongly correlates with a growing GDP – mainly generated by industry and services.



Photo: BilderBox.com

The differences between urbanisation and urban growth

Urbanisation is the *proportion* of the total population that is classed as residing in an urban centre. It is different from **urban growth**, which refers to the increase in the absolute number of urban residents. Some of the countries with the largest urban populations also have low levels of urbanisation: these include Bangladesh, India, China, Nigeria and Pakistan.

Both urbanisation and urban growth are the result of:

- natural population growth, or the excess of births over deaths in urban areas
- rural-urban migration, or international migration to urban centres, and
- the reclassification of localities from rural to urban

It is also widely thought that rural-urban migration is the most significant component of urbanisation, with people moving to urban centres at the same time as they move out of agriculture. But this is only true for a few countries. A notable exception is China, where rapid economic growth and industrialisation have attracted millions of migrants to the coastal, highly urban regions. Even there, however, several changes in the definition of 'urban' used in censuses make it very difficult to assess without doubts the contribution of rural-urban migration to urbanisation. In most of the world, natural population growth contributes to over half of urban growth. This is the case where high levels of urbanisation have already been reached, so the majority of the population live in urban centres and in nations with high fertility levels and rapid overall population growth.

■ Misconceptions

Rural migrants are often accused of contributing to urban poverty. While there is no doubt that urban poverty has dramatically increased in the past years, it is unfair to blame migrants for it. Migrants are usually better educated than non-migrants, and more likely to be economically active. Indeed, the increase in urban poverty in low and middle income countries reflects primarily the changing distribution of their population. It also reflects the difficulties of national and municipal governments in providing adequate services and

infrastructure, including housing, to rapidly expanding urban populations.

Another misconception is that migrants come predominantly from rural areas. Migration directions depend largely on the economic base of the country or region where it takes place. In sub-Saharan Africa, movement is predominantly between rural areas, reflecting the agricultural base of the economy of many countries in the region. Latin America has high levels of urbanisation and therefore most movement is between urban centres.

■ Does size matter? Small towns, cities and megacities

There is a tendency to think that most if not all urban growth is in large cities. Around half of the world's urban population live in cities with more than one million inhabitants, and less than 10 percent in 'megacities' (urban centres with more than 10 million inhabitants). The rest live in smaller urban centres; these are also where almost half of the increase in the world's urban population takes place. In other words, small towns are important drivers of urbanisation.

At the same time, it is very difficult to make generalisations on this category of urban centres. This not only because of the wide variations in size, but also because their nature and role is determined largely by the national context. In Belize, where the total population is

200,000 and the largest urban centre, Belize City, has just over 40,000 inhabitants, settlements with 2,000 residents can be classed as small towns. In Mexico, however, where the total population is over 112 million, of which over 8 million live in Mexico City, centres with a population of 10–25,000 can be defined as small towns.

Size, however, is not the only issue. A nation's urban system – that is, the distribution and organisation of its urban centres – is, at its core, the 'geography' of its economic and political system. The majority of all service and industry jobs are located in urban centres, reflecting the national economic structure. The distribution of power and public resources between central and local governments also contributes to shape national urban systems. In this context, small towns can play an important role in the development of their surrounding rural regions.

■ The multiple links between rural and urban areas

Local towns are an essential element of the lives of rural residents. Services such as health care and education, especially district hospitals and secondary education, are usually located in towns. Local urban centres are generally the seats of local governments and institutions that are mandated to ensure that the rule of law and the public good are protected, and therefore play a crucial role in sustainable development. Also, towns often act as market nodes, where agricultural produce is collected and redistributed to national and international markets. Local urban centres can offer opportunities for permanent or temporary non-farm employment too, which is an increasingly important income source for rural households; in many cases, migration, mobility and socio-economic development are closely inter-linked, as described in the Box on page 11.



Photo: J. Boethling

■ Conclusion: the urban part of rural development

Rural development and urban development are often portrayed as competing issues. Governments are seen as diverting resources from rural to urban areas and in the process creating powerful economic and political elites. While this is sometimes the case, it can be argued that it has little to do with 'rural' and 'urban' distinctions (and much to do with 'bad' governance). There are instead many reasons to argue that a closer attention to rural-urban links can benefit both rural and urban areas, enterprises and people.

There is a strong economic interdependence between urban-based enterprises and rural consumers, and between rural producers and urban markets. In many cases, growing urban

Urban poverty reflects among other things, the difficulties of governments to provide for adequate services in the city.

demand rather than exports is essential to the prosperity of food producers. Many urban enterprises rely on demand from rural producers or consumers and, often, on rural raw materials, and most rural residents rely on retail stores and service enterprises in local urban centres.

And, increasingly, the livelihoods of rural as well as urban households rely on the combination of rural and urban resources, and on the diversification of income-generating activities. These often involve some level of mobility and migration. However, temporary movement is more frequent than permanent migration; this is reflected in the fact that in most countries, rural-urban migration is not the main driver of urbanisation.

Many of these exchanges take place in small urban centres, which also provide essential services and thus play crucial development functions for their own populations as well as those of the surrounding rural areas. As such, they deserve more support and attention than is currently the case.

Small towns as market and mobility nodes in Vietnam's Mekong Delta

In the Mekong Delta's fruit-producing areas, trade activities concentrate in small local towns. Farmers bring the fruit to local traders who then redistribute it to national and international markets. The economic success of these towns goes beyond trade, however, as they perform a more complex role in linking rural areas to the urban centres.

There is sizeable out-migration from these towns, and remittances from migrant relatives to the larger towns and cities are invested in farming and trade activities and are an important source of cash to support education and housing improvements. At the same time, there is an influx of in-migrants from rural areas to work in trade-related activities. These include grading, packaging and transport activities, as well as services such as hairdressing, cafes and restaurants, portering and so on, for the farmers who visit the towns. Key elements of this positive symbiotic relationship include the equitable distribution of land and access to farming services, with the majority of farmers benefiting from increased access to markets, goods and services, stable demand from urban consumers rather than historically unstable regional and global markets, and public investment in roads and electricity infrastructure, facilitating transport and communications.

Source: Hoang, T.H. et al, 2009, *Urbanization and Rural Development in Vietnam's Mekong Delta*, Rural-Urban Working Paper Series, IIED, London.

Zusammenfassung

Urbanisierung wird oft als schädlich für die ländliche Entwicklung betrachtet. Tatsächlich trifft das Gegenteil zu. Ländliche und städtische Räume, Menschen und Unternehmen sind eng miteinander verflochten, und man kann sicher sagen, dass es keine ländliche Entwicklung ohne städtische Entwicklung und umgekehrt geben kann. Kleinstädte werden meist sowohl in ländlichen als auch in urbanen Entwicklungskonzepten vernachlässigt, dennoch haben sie eine wesentliche Funktion als Mobilitäts- und Marktzen-

tren. Sie spielen jedoch nicht nur in der sozio-ökonomischen Entwicklung eine Rolle, sondern stellen auch ein Dienstleistungsangebot für die umgebende Landbevölkerung sicher und beherbergen lokale Behörden und Einrichtungen, die entscheidend für jede nachhaltige Entwicklung sind.

Resumen

El proceso de urbanización a menudo se considera nocivo para el desarrollo rural. Pero en el fondo sucede lo opuesto. Existen sólidos vínculos entre las áreas, las

personas y las empresas rurales y urbanas, y se podría argumentar que no es posible el desarrollo rural sin el desarrollo urbano y viceversa. Por lo general, tanto el enfoque rural como el urbano dejan de lado a las localidades pequeñas, cuando éstas en realidad asumen funciones esenciales en términos de movilidad e interconexión de mercado. Su rol no sólo se relaciona con el desarrollo socioeconómico. También proveen servicios a la población rural circundante y son sedes de los gobiernos y las instituciones locales, que a su vez resultan cruciales para el desarrollo sostenible.