

URBAN AND RURAL CHANGE

Urban and Rural Change is about the rapidly changing spatial patterns of poverty and opportunity

The purpose of this document is to:

- ▼ outline what we mean by Urban and Rural Change
- ▼ encourage debate and engagement with the Urban and Rural Change Team
- ▼ stimulate DFID to consider the policy implications

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- ▼ Changes in where people live
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WHY IS IT IMPORTANT TO ANALYSE URBAN AND RURAL CHANGE?



Rural and urban policy are generally handled by different people and placed in separate analytical boxes for planning, development and investment purposes. This is in spite of the fact that locations cannot be easily divided into 'urban' and 'rural'. Poverty reduction strategy (PRS) papers often put urban and rural in separate chapters – if there is a section on urban issues at all – ignoring the links between the two and overlooking the fact that people's lives and livelihoods increasingly straddle several locations. Thinking, planning and the way governments and donors respond is not keeping up with the pace of change between rural and urban.

Seeing 'rural' and 'urban' poverty as distinct is misleading and bad for development

Many poor households have both rural and urban components to their livelihoods, including family members living and working in different locations. Rural people depend on services and markets in their local town, while many people and enterprises in towns and cities depend on the rural economy. Lives and economies are increasingly connected – across villages, hamlets, small towns, cities and peri-urban areas.

Urban and rural areas are changing rapidly

Urban and rural areas are not only increasingly linked, but are undergoing wide-reaching and fundamental processes of change. These are inter-related, and include changes in patterns of economic activity, changes in how people make a living, changes in where people live, and changes in how people interact with society and the state.

Policies and institutions ignore urban-rural links and change

But traditional modes of thinking about development focus on urban development, or on rural development, overlooking the links and the change processes. Countries' governance structures are not adapted to linkages or change and international organisations and donors frequently organise themselves in terms of urban vs. rural.

Well-managed urban and rural change is good for poverty reduction and economic growth

The positive sides of urban and rural change are readily identified – for example: increased household income security through diversification, higher economic growth because of higher marginal productivity in urban areas, and higher rates of overall economic growth where there are dynamic links between rural and urban areas.

WHY IS IT IMPORTANT TO ANALYSE URBAN AND RURAL CHANGE?

In Bamako, Mali, villages in the peri-urban areas (areas of rapid urban expansion) have benefited from:

- ▼ development of high-value horticulture;
- ▼ well managed land tenure systems allowing secondary rights for migrants who provide seasonal wage labour;
- ▼ supportive relationships with local traders who provide access to and information about urban markets.

In order to maximise these benefits, effective governance is needed, particularly at the decentralised level. Local level government is well placed to understand local differences, and the interlinked nature of rural and urban areas. However, local government initiatives need support from higher levels to ensure that their efforts are not undermined by national strategies and sectoral priorities.

Neglect of urban-rural links and change leads to policy and institutional failure

Failures include a lack of understanding of the implications of where people live on their experiences of poverty and vulnerability, and the coping strategies they adopt – invisibility of the poorest in both rural and urban areas. Investment policies are weakened by the failure to make links between rural and urban needs for pro poor growth (examples include failure to tackle growing regional inequality). There is often a lack of understanding of spatial implications of policy shocks

and changes (external changes such as trade agreements and relationships, local changes such as changes in local government structures).

Policies act as barriers

Many policies explicitly or implicitly aim to prevent change occurring, and in the process create barriers. For example, rural-urban migration is frequently seen as bad for rural development and investment policies in rural areas often aim to stop out-migration. Other policies aim to deter rural-urban migration through limiting access to urban services, or to channel people to move to predetermined destinations, with mixed results. In some areas, governments seek to prevent urbanisation where they do not recognise the economic contribution of the urban poor and migrants, or through fear of increased political mobilisation and opposition as people concentrate in towns and cities.

WHY IS IT IMPORTANT TO ANALYSE URBAN AND RURAL CHANGE?

The resulting problems affect the poorest most

Problems include:

- ▼ rapid growth of slums: currently some 900 million people live in slums, predicted to increase to almost 2 billion if current policies continue¹;
- ▼ poor service delivery (health, education, finance, water, sanitation, transport and others), failing to reach the poor in different locations and in times of change;
- ▼ lack of job security or certainty for poor people;
- ▼ barriers to coping strategies – for example, harassment of street vendors, exploitation of migrants, laws preventing official residence in urban areas;
- ▼ growing regional and local inequalities – for example neglect of remote rural areas and pockets of deprivation in cities;
- ▼ environmental damage through excessive use of land, air and water resources in rural, peri-urban and urban areas; and
- ▼ growing social dislocation, alienation and violence linked to rising insecurity and lack of support for vulnerable groups in times of change.

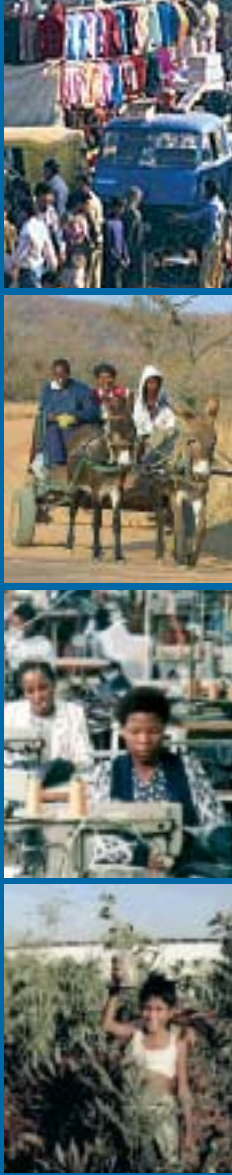
These issues lead to three key challenges for development policy and practice:

- ▼ The need to understand urban and rural change processes and their implications, maximising opportunities for the poor and managing the risks;
- ▼ The need to understand how location affects poverty; and
- ▼ The urgent need to take a more integrated approach to rural and urban development.



THE CHALLENGES OF URBAN AND RURAL CHANGE

CHALLENGE 1: THE NEED TO UNDERSTAND URBAN AND RURAL CHANGE PROCESSES



This section outlines the rationale behind the three identified challenges of urban and rural change in greater depth.

The challenges:

- ▼ The need to understand urban and rural change processes and their implications, maximising opportunities for the poor and managing the risks;
- ▼ The need to understand how location affects poverty; and
- ▼ The urgent need to take a more integrated approach to rural and urban development.

Challenge 1: The need to understand urban and rural change processes

The relations between rural and urban areas are changing rapidly. The following aspects of urban and rural change are dealt with in turn in this section:

- ▼ patterns of economic activity;
- ▼ how people make a living;
- ▼ where people live;
- ▼ how people interact with society and the state; and
- ▼ how rural and urban areas are linked.

Changing patterns of economic activity

The patterns of economic activity within a country determine the major labour market opportunities and their location. There are two main trends that are examined here: growth in manufacturing and services, and the unequal regional distribution of economic activity within a country.

Growth in manufacturing and services drives urban and rural change

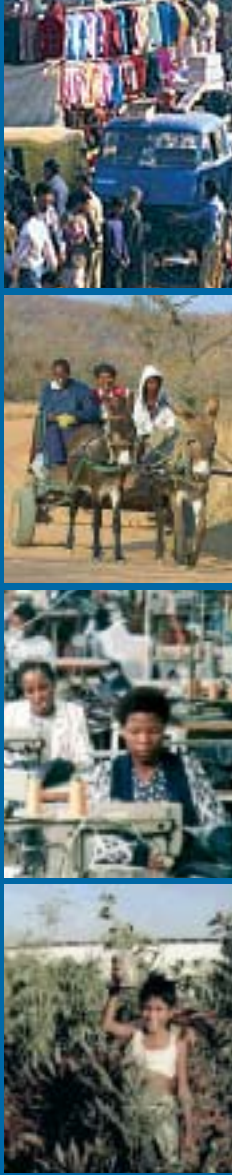
Over the past 50 years there have been large increases in urban-based manufacturing and services compared with rural-based agriculture – although agricultural productivity continues to grow and remains important. Industry and service sectors are usually located in urban areas, where they benefit from economies of scale, ready access to markets and labour, and exchange of knowledge and ideas. Urban centres now produce 55% of GDP in low-income countries, and 73% in middle-income countries.

Growth is unevenly distributed within countries

Growth is rarely distributed evenly across regions within a country. A wide range of factors are important in attracting investment and industrial development, including: skilled labour, access to markets, available land, quality of infrastructure, quality of governance, access to specialised services. Investment is also

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affected by global changes in prices and markets, technological advances, and new communication opportunities. Nevertheless, location and accessibility are still important. For example, coastal cities are generally better off than inland cities and agriculture is often more profitable if urban markets are within easy reach. Areas with faster or more consistent growth tend to be more urbanized and continue to attract more labour and investment – which in turn can increase regional inequalities.

The proportion of people living in urban areas grew rapidly in **Vietnam** from 19.4% in 1989 to 23.7% in 1999. Migration is largely to the main urban centres – Hanoi, Ho Chi Minh City, Hai Phong and Da Nang, where investment in export-led manufacturing has been concentrated. The populations of these cities are growing faster than those of other urban centres in the country, as they attract both migrants (often young single women) looking for jobs in factories, and entrepreneurs providing services (including restaurants, food stalls, tailoring and cleaning).

Changes in how people make a living

The overall patterns of economic growth within a country strongly influence how individuals and households make a living. The most important change is the increasingly diverse range of activities that are carried out by poor household members to support their family.

Livelihoods come from an increasingly diverse range of activities and locations

It is well understood that poor families earn a living in many different ways in both rural and urban areas. Diversification is an important strategy for the poor and a route out of poverty. Recent surveys in rural areas of sub-Saharan Africa and Latin America suggest that non-farm sources account for 40-45% of household income. The figure for South Asia is estimated at 60%. Increasing numbers of poor households rely on off-farm activities in local towns and on remittances from family members working in larger towns and cities in informal and formal wage based employment. Urban households often have diverse income sources too – many poor urban dwellers produce food, and urban agriculture contributes an estimated 10% of world food production.

In **Ghana**, men's off farm work includes trade, public administration, construction and transport, whereas women's activities are more narrowly focused on wholesale and retail trade and processing agricultural products (brewing beer, making baskets and so on).

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Migration is most common amongst young people, especially men.

The land poor in **Bangladesh** are increasingly working in non-farm activities. This raises their income and employment security, and also reduces their vulnerability to seasonal changes in their income.

The rural non-farm sector is growing over twice as fast as farm employment in **India**.

Changes in where people live

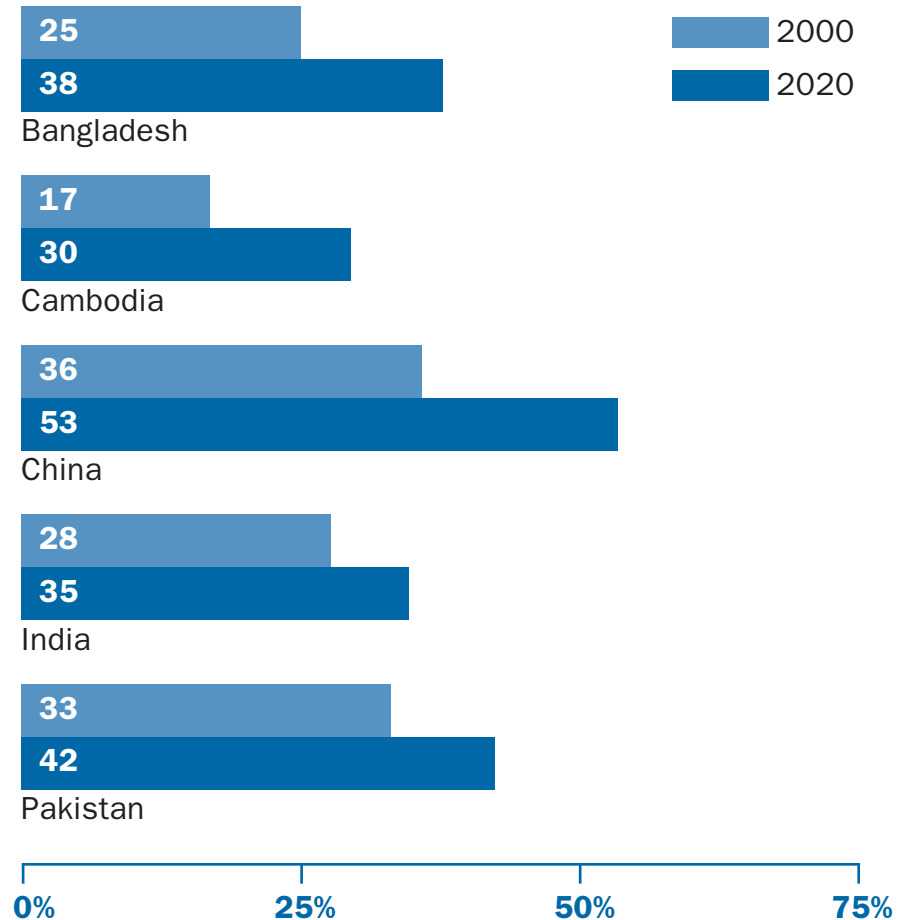
Urban centres are growing rapidly

According to the UN, virtually all the growth in the world's population in the next 25 years will be in urban areas. The massive scale of urban expansion facing Asia and Africa is unprecedented in world history. The urban population of Asia is already nearly triple that of the highly industrialised countries and is set to continue growing rapidly². Although data for Africa is incomplete, some estimates suggest that the continent's urban population will increase by nearly 70% between 2000 and 2015 – an additional 200 million people will have to be accommodated in the continent's towns and cities.

Urbanisation is the process by which an increasing proportion of a population lives in towns and cities.

Urbanisation level refers to the proportion of the total population living in urban centres.

Urban Population – selected Asian countries percentage of total population in urban areas



Source: UN Population Division, World Urbanisation Prospects, 2001 Revision

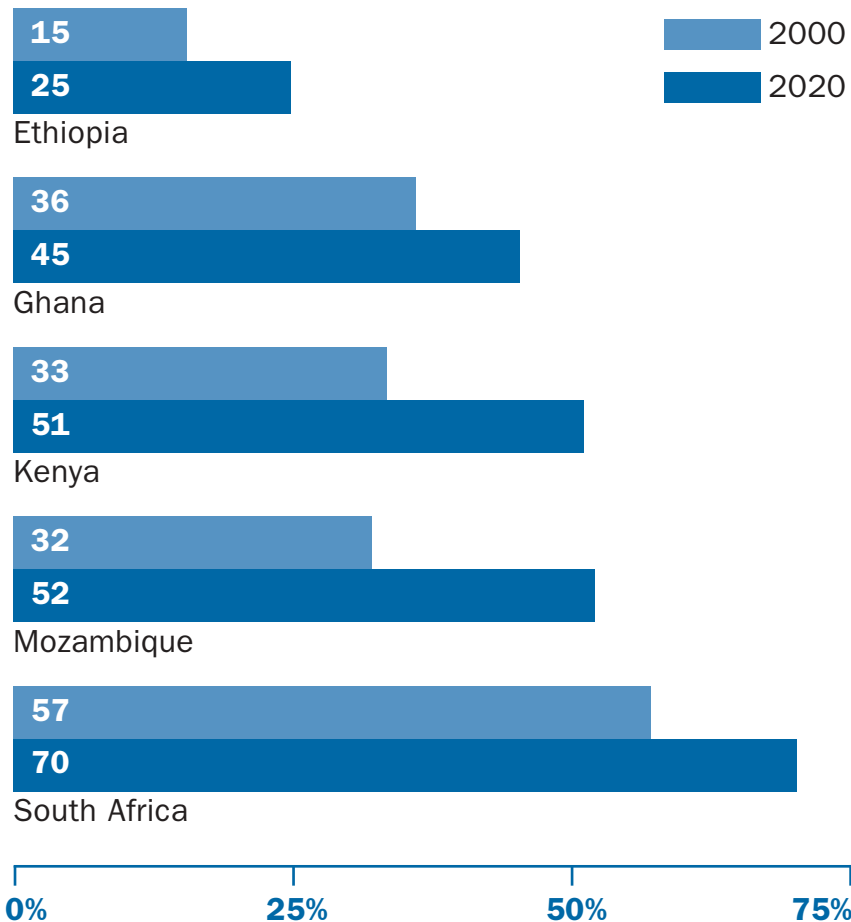
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Urban Population – selected African countries

percentage of total population in urban areas



Source: UN Population Division, World Urbanisation Prospects, 2001 Revision

What drives urbanisation?

Urbanisation is driven by:

- ▼ the worldwide growth in industry and services, and accompanying rural-urban migration to new work opportunities, frequently with higher incomes;
- ▼ rural-urban migration resulting from the 'push' of reduced potential to make a living in rural areas – for example modernisation of the agriculture sector reducing the need for labour, declining fertility and plot sizes in other areas;
- ▼ conflict, which in some areas has led to migration to towns and cities, and large settlements of refugees and internally displaced people.

Urbanisation levels also increase when there are changes to the boundaries of urban centres, or definitions are changed as occurs when a given settlement grows beyond the threshold size for a town the whole settlement is reclassified as 'urban'.

Most urban growth is in small and intermediate urban centres

Although the trend of urbanisation is well known, it is less well understood that most of the growth in urban centres is not occurring in mega-cities. Mega-cities of over 10 million inhabitants are home to less than 4% of the world's population³ and many have experienced slow growth rates or net out-migration in the last one or

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two decades. Currently just over half the world's urban population lives in towns and administrative centres with populations of less than 500,000⁴. It is unlikely that a large proportion of the global population will ever live in mega-cities. This is partly because once cities reach a certain size the benefits of spatial concentration start to be overtaken by disadvantages, such as high costs of land and transport problems. This normally leads to a slow dispersion, for example industries relocating outside the centre.

'Peri-urban' areas are expanding around rapidly growing urban centres

Increasing numbers of people live in peri-urban areas around the outskirts of towns and cities. These are often the location of the most visible transformations in land use, as urban settlements and activities expand on to agricultural land. These areas are neither typically urban nor rural, and have characteristics of both, but often suffer from unclear administrative responsibilities between urban and rural local governments.

'Slums' have emerged as a distinctive category of human settlements

As urban populations have expanded, poor people have not been able to buy or rent regular housing, so informal settlements (often known as slums) have grown rapidly. Overall nearly half the population of African and Asian towns and cities live in slums (with figures for individual cities varying between 30 and 70%)⁵. It is predicted that by 2020 the global number of slum dwellers will increase from the 2001 estimate of 924 million to about 2 billion. There is not enough housing to meet the demands of migrants and existing urban families, due to the failure to support an increase in supply and reduction in cost of housing and land for housing. Housing prices are often extremely high and poor people's access is also limited by a lack of access to credit. While slums are often viewed negatively, many also reflect the innovation of the poor, who have built most of the new homes in most cities in developing countries and whose investment in housing far exceeds that of governments and international agencies⁶.

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What is a slum?

The term 'slum' is used by UN-Habitat to describe 'a wide range of low-income settlements and/or poor human living conditions'. Slums include older housing that has deteriorated. The term is increasingly used for informal settlements (bustees, favelas), where the quality of dwelling varies from shacks to permanent structures, while access to basic services is limited and environmental conditions are almost always very poor.

The **Millennium Development Goal 7 Target 11** aims to achieve a significant improvement in the lives of at least 100 million slumdwellers by 2020. For monitoring this target, UN-Habitat defines a slum household as one that lacks one or more of the following:

- ▼ access to improved water
- ▼ access to improved sanitation facilities
- ▼ sufficient living area, not overcrowded
- ▼ structural quality/durability of dwelling
- ▼ security of tenure

Changes in how people interact with society and the state

The changes outlined above are linked to equally significant social and political changes.

Changing family structures and gender relations

Family structures and gender relations change as increasing numbers of people migrate or commute for work. The impact of absent men is well documented and affects family security, access to services, social acceptance of children and relationships between generations. With increasing numbers of women migrating, new living arrangements are emerging and the implications are not yet clear. Some urban households consist solely of male workers who live in rural areas on a seasonal basis.

In **China**, some two-thirds of rural-urban migrants are men, but the number of women migrants is increasing rapidly. Women migrants are usually young and single and many have benefited from new opportunities in factories and services. In some rural areas where many women are away working in Eastern coastal areas, there is an increase in male, single-headed households. More commonly though, women tend to return to their village on marriage, to look after the children and work on the land, while their husbands continue working in the city. This allows for households to maintain the security of their land in rural areas as well as benefiting from income earned in urban areas, but also creates a new rural-urban gender division of labour. A number of male migrants return to rural areas, but usually later in life.

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Changing aspirations and increasing political engagement

Alongside changes within the family, urban and rural change leads to wider social and political change. New opportunities at work and home create new expectations, and changes in the way men and women view their life prospects. The growth in urban populations also creates opportunities for new forms of collective action and political activity, organised around common interests and issues. This can lead to pressure for social reform.

The growth of the garment industry in **Bangladesh** in the 1990s led to thousands of young women migrating from rural areas to urban labour markets. They now have an income for the first time to contribute to their families' livelihoods. While they often face difficult conditions, evidence suggests the benefits are not just financial and include increased confidence and challenges to traditional gender roles and relations. Furthermore, recent work shows that increased working by women is directly linked to reductions in maternal mortality mainly because working enables woman to marry later.

Interactions between citizens and the state are also changing rapidly

The urbanisation process creates spaces for new forms of collective action and political activity, organised around common interests and issues that often cut across identities such as kin, tribe and region of origin.

Many groups will be organised around demands for improved services, while others may focus on issues such as rights for minority groups. These new forms of political organisation and opposition can be threatening to elites, but can also result in improved accountability.

When citizens become more mobilised and aware of their rights, their attitudes towards government change. Tensions often occur, as the state extends its authority and challenges traditional systems. Rural communities can become more vulnerable if the role of traditional leaders is reduced and effective local government systems do not replace them.

Changing urban-rural links

Urban-rural links have, as outlined above, existed in some form since human societies began to live in concentrated settlements. However, the nature and strength of these links and interactions is changing and they 'have become an ever more intensive and important component of livelihoods and production systems in many areas – forming not so much a bridge over a divide as a complex web of connections' (Tacoli 2003)

Movements of people: migration and remittances

Migration between rural and urban areas is often viewed as a negative brain drain, but the reality is far more complex. People migrate on a temporary and permanent basis, from rural to urban areas, between rural areas,

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from one town or city to another. In many low-income nations, circular migration is the form of movement which involves the highest proportion of people, and which reinforces rural-urban links. Many rural-urban migrants retain strong links with their home villages to the benefit of household members in both locations (for example, through remittances, food supplies, childcare, work at harvest time). In addition the movement of people facilitates the movement of information and ideas between rural and urban areas.

Remittances help families to increase their assets and reduce their vulnerability. Migrants with secure jobs are best able to send money home regularly. Studies have shown that one of the biggest barriers to this important source of income is the lack of affordable and secure systems for transferring money. There is very little research that explores in detail how remittances are used in rural areas.

Migrants to Haiphong, **Vietnam**, often return to rural areas with urban experience and earnings to set up small rural service businesses that do not involve farming, for example taxi and truck services, small restaurants and stores, garment making, hairdressing, repair and maintenance services.

Movements of goods

Agricultural products and natural resources flow from rural areas to urban markets for sale, processing or export. Rural areas provide markets for manufactured goods (including agricultural inputs and consumer goods). Rural areas often suffer from the high costs of transport that reduces competitiveness of rural produce, and access to imported goods. Improvements in infrastructure and communications have helped to reduce these barriers (see the table below).

Table: Comparative indicators of some rural-urban links in selected developing countries

Indicator	India		Kenya		Brazil	
	1970	1999	1970	1999	1970	1999
Roads, total network per person (km)	92	384	66	129	431	1793
Telephone mainlines (per 1000 people)	2	27	3	10	20	149

World Bank, UNDP and IFPRI data, cited in Ashley, C. and S. Maxwell (2001) 'Rethinking rural development' in *Development Policy Review* Vol. 19 No. 4

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Information flows

Information is passed between rural and urban areas by migrants and their families, and through increased access to media. This enables poor people to gain information about market prices for goods and about work opportunities in other locations. The flow of information also facilitates social change as people hear about new ideas and lifestyles.

In **Bangladesh**, non-farm income is growing much faster than agricultural income; so many landless agricultural workers migrate to nearby towns and to the cities for better-paid jobs. Poor migrants arriving in Dhaka generally find work through social networks within a few days of arriving, and about a third have information about a job before they move.

Not all links between urban and rural areas are positive

Some rural-urban links are problematic, for example: flows of wastes from urban and industrial centres to rural hinterlands for disposal. There are also difficult issues to be managed in peri-urban areas – such as the conversion of agricultural land, and unregulated development of industrial facilities.

Increased mobility and urban–rural links play a role in transmitting infectious diseases such as HIV/AIDS, which has high infection rates along major transport routes, and in urban and other employment centres.

The ability to manage these negative impacts, and accentuate positive ones depends on the competence, capacity and accountability of local governments.

In Hanoi, **Vietnam** there is a sharp distinction between upstream and downstream areas. Downstream areas are less attractive and much cheaper partly due to the accumulation of wastes in rivers and streams. In these areas fishers and vegetable producers struggle because the water is so polluted.

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CHALLENGE 2: THE NEED TO UNDERSTAND HOW LOCATION AFFECTS POVERTY

Challenge 2: the need to understand how location affects poverty

As we have shown, rural and urban areas are increasingly linked and changing rapidly. However it is still important to understand key differences between locations along the continuum of settlements from remote rural to mega-city. This section explores some aspects of how location matters to poor people.

This section contains three main elements:

- ▼ a brief explanation of how experiences of poverty differ according to location, including poor people's access to services;
- ▼ problems related to measuring and monitoring levels of poverty in different locations; and
- ▼ how aggregate data on poverty disguises local inequalities and pockets of deprivation in both rural and urban areas.

How people's experiences of poverty are affected by where they live

There are important differences in how poverty is experienced in different locations on the rural-urban continuum

While it is clear that urban and rural areas are increasingly linked, and that the boundaries between the two are not distinct, there are nonetheless some key differences in how poverty is experienced in different locations.

Participatory Poverty Studies demonstrate that poverty is affected by location, and that the nature and experience of poverty continually responds to dynamic changes in those locations (for example, new local industry, drought, a new road). The poorest, irrespective of rural or urban contexts, have no choice but to occupy the worst and most hazardous locations— the side of canal banks, steep slopes or railway lines in towns, and the edges of villages, on marshier, or less fertile land in rural areas.

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Selected characteristics to illustrate differences in 'typical' rural, peri-urban and urban areas

LIVELIHOODS

Rural

Engaged in mixed livelihoods activities – often based primarily on agriculture but increasingly combined with non-farm activities. Limited opportunities for earning cash income.

Peri-urban (expanding urban centres mingle with agricultural land)

Usually very mixed, including agriculture, small industry and work on large industrial developments. Agriculture may be profitable – serving urban consumers – but land availability may be threatened by urban expansion and rising prices.

Urban

Mainly based on activities in urban labour markets (formal and informal) including making and selling goods and services.

CHANGING DEPENDENCE ON NATURAL RESOURCES AND CASH

Rural

High dependence on access to common property resources, including water, land, forests and others.

Peri-urban

Increasing access to cash incomes, but access to 'free' common property resources is often reduced.

Urban

Highly dependent on cash to pay for essential items such as food, rent, school, energy, transport, water, and sanitation.

[more ▶](#)

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LOCATION AND HOUSING

Rural

Isolation, due to distance from urban centres, poor quality or no roads, and weak physical infrastructure. Access to housing is rarely a problem.

Peri-urban

Rapid growth of new informal settlements, which emerge because the poor cannot afford to buy land, gain secure tenure, or pay for adequate housing.

Urban

Limited access to adequate and affordable housing. Huge numbers live in slums with insecure tenure.

ACCESS TO SERVICES

Rural

Limited access to services, including healthcare and education – mainly due to distance.

Peri-urban

Limited access to basic services despite increasing environmental health risks as population density increases, industrial activities expand without regulation, and adequate infrastructure is not provided.

Urban

Limited or no access to services to mitigate the effects of disease, environmental hazards, and violence. This is due to cost and lack of delivery to poor areas.

GOVERNMENT

Rural

Limited government presence.

Peri-urban

Administrative boundaries and the division of responsibilities between rural and urban authorities are often unclear.

Urban

Vulnerable to the misapplication of bureaucratic rules, for example mass evictions and harassment of street vendors.

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CHALLENGE 2: THE NEED TO UNDERSTAND HOW LOCATION AFFECTS POVERTY



Poor people's access to services can be limited because of where they live

Poor people's access to services, the costs of delivering services and the providers operating vary according to location.

Poor people's priorities depend on where they live and the importance of the cash economy

- ▼ After better quality water supplies were provided to villages in rural **Rwanda**, poor people started using their original poor-quality water supplies again within two years because they were the same distance away but free.
- ▼ A study in Vientiane, **Laos**, showed that although water bought from small providers was relatively expensive, many poor people preferred it to a piped system because they could buy small amounts when they had cash available.

In areas surrounding urban centres, unregulated development occurs but suitable services and systems do not keep pace with the needs of the increasing number of residents and businesses.

Provision of services in small urban centres is far less, relative to need, than in large cities. This in turn has a significant impact on rural poverty, because it illustrates that small urban centres, which support agricultural

producers with markets and services, and supplementary off farm income, are not operating as effectively and efficiently as they could be.

There is no agreed method for measuring and monitoring levels of poverty in different locations

Most poor people in Africa and Asia (but not Latin America) live in so-called 'rural' areas, but standard poverty measures – ignoring differences between urban and rural poverty – tend to underestimate the scale and depth of poverty in urban areas. For example, income based poverty measures and lines often do not take account of the greater reliance of urban dwellers on the cash economy to meet their basic needs – food, services, rent and so on.

In **India**, in 1996, the Planning Commission accepted that the poverty line should be linked to a nutritional baseline measured in calories. Poverty lines were defined with a higher per capita monthly expenditure in urban than in rural areas (Rs. 57 and Rs. 49 respectively in 1993-94). These poverty lines were intended to correspond to a total household per capita expenditure sufficient to provide, in addition to basic non-food items (clothing, transport) a daily intake of 2400 calories in rural areas, and 2100 in urban areas.

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CHALLENGE 2: THE NEED TO UNDERSTAND HOW LOCATION AFFECTS POVERTY

Aggregate data disguises local inequalities and pockets of deprivation

The distribution of poverty and inequality at local level is often disguised by averages, and many governments do not examine the implications of local differences in their policies and programmes. Examination of case study material illustrates the need to look more carefully at this issue. For instance, a comparison of infant mortality averages for urban and rural areas in Kenya with the slums of Kibera and Embakasi in Nairobi shows that although the rate in Nairobi is half that of the rural population, huge inequalities exist between different parts of the city. Similar pockets of inequality in rural areas are also hidden by aggregate data.

Infant mortality rates 2002

deaths per 1000 live births



Rural Kenya **76**



Nairobi **39**

of which:



Informal settlements in Nairobi **91**

of which:



Kibera settlement **106**



Embakasi settlement **164**

Source: APHRC (2002), *Population and Health Dynamics in Nairobi's Informal Settlements*, African Population and Health Research Center

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CHALLENGE 3: THE URGENT NEED TO TAKE A MORE INTEGRATED APPROACH TO RURAL AND URBAN DEVELOPMENT

Challenge 3: The urgent need to take a more integrated approach to rural and urban development

It is increasingly hard to define what is urban and what is rural'

There is a huge variety of settlements in rural and urban areas

Locations cannot be easily divided into 'urban' and 'rural'. Urban settlements range in size from mega-cities to small urban centres. At the same time, rural settlements include large villages, hamlets, scattered homesteads, and seasonal or nomadic camps. The boundaries between urban and rural areas have become increasingly blurred over time as settlements have changed and spread.

There are no internationally agreed definitions of 'urban'

Numerically, there is no internationally agreed definition of urban. National definitions of the cut-off point between a village and a town vary from 200 to 20,000 inhabitants, and change over time. Also, population thresholds are not the only form of definition. All this makes international comparisons and long-term studies difficult. The line between small urban towns or large rural villages is particularly 'fuzzy'. Depending on definitions, 20-50% of national populations in many developing countries live in this sort of settlement. The global level of urbanisation was officially quoted as 47% in 2000, when in fact it is anywhere between 40 and 55% depending on the definitions used.

India – where most people live in villages of 500-5000 people and which is usually considered around 70% rural – would become a predominantly urban country if it adopted the Swedish definition of urban (200 or more inhabitants).

'Rural' is also hard to define

The term 'rural' is ambiguous and there is no exact definition. The UN simply states that the 'population which is not urban is considered rural'⁸. An alternative definition is: 'the space where human settlements and infrastructure occupy only small patches of the landscape, most of which is dominated by fields and pastures, woods and forests, water, mountain and desert'⁹.

Urban and rural areas have distinct characteristics but are not clear-cut

What is not in dispute is that rural and urban areas have distinct characteristics and needs. Rural areas have predominantly natural resource based economic activity, relative abundance of land, and greater distances to markets and services. In urban areas a cash income is more important. However, there is no clear rural-urban divide. Peri-urban areas are characterised by a mixture of urban and rural. There are also numerous overlapping activities – for example urban agriculture is common in many towns and cities, and there is increasing non-farm economic activity in rural areas. It is often more helpful to think of rural and urban along a continuum from remote rural areas to large cities.

THE CHALLENGES OF URBAN AND RURAL CHANGE

CHALLENGE 3: THE URGENT NEED TO TAKE A MORE INTEGRATED APPROACH TO RURAL AND URBAN DEVELOPMENT

Urban and rural areas are linked

Urban and rural areas are increasingly linked and interdependent. The links include movements of:

- ▼ **people** between rural and urban areas (commuting, using services and facilities or long-term migration);
- ▼ **goods and services** such as agricultural products, from rural areas to urban for sale, processing or export;
- ▼ **environmental resources** such as water and energy;
- ▼ **manufactured and imported goods** from urban centres to rural settlements;
- ▼ **information** on markets, employment opportunities, ideas and social changes;
- ▼ **money** sent home by migrants, transfers such as pensions, and investments and credit from urban-based institutions;
- ▼ **wastes** that are usually generated more in urban areas but disposed of in rural and peri-urban areas.

These links exist between virtually all urban and rural areas but their size, nature and strength vary according to wider economic, social and cultural factors. These factors affect how urban and rural links contribute to reducing poverty – or not.

Pitching 'urban' and 'rural' against each other is unhelpful

'Rural' and 'urban' are not only treated separately but compete for resources

The separate treatment of rural and urban development has not only resulted in an unnecessarily narrow perspective, but in the formation of groups who for a long time have been competing for resources and attention. The quotes below illustrate this point.

The rural-urban divide in development speak

"Development efforts in most countries neglect the rural sector, even though it contains three quarters of the world's 1.2 billion poor people ...even by 2020, 60% of the world's poor will still be living and working in rural areas." (IFAD, 2001)

"It is estimated that 858 million people of the world's 2.8 billion urban inhabitants are living in poverty." (UN-Habitat, 2003)

But:

"The rigid divide between 'rural' and 'urban' on the part of sectoral strategies actually makes life more difficult for low-income groups" (Tacoli, C. 2003, 'The links between urban and rural development' in Environment and Urbanisation Vol. 15 No.1)

THE CHALLENGES OF URBAN AND RURAL CHANGE

CHALLENGE 3: THE URGENT NEED TO TAKE A MORE INTEGRATED APPROACH TO RURAL AND URBAN DEVELOPMENT

The idea of 'urban bias' has long influenced the development debate

The idea of urban bias has been very influential in donor policies on urban and rural development. Michael Lipton first coined the term in the mid-1970s. He argued that “so long as the elite’s interests, background and sympathies remain predominantly urban, the countryside may get the ‘priority’ but the city will get the resources”¹⁰. Lipton’s work has been, and continues to be, extremely influential.

The idea of urban bias suggests that governments deliberately advantage urban areas in terms of disproportionate investment, for example in infrastructure, and through other policies. Initially a major focus of criticism was on regulated food prices that favoured urban consumers at the expense of rural producers, but most of these were removed during structural adjustment. It is still often argued that urban bias continues in other ways, for example capital cities receiving the most resources and investment.

Lipton’s claims have been contested. One criticism is that they neglect inequalities between and within towns and cities. The reality may be that the needs of the poor are inadequately addressed in both urban and rural areas.

Urban and rural specialists need to approach development together

An examination of rural and urban links and change highlights the urgent need for a more integrated approach. Rural specialists need to become more aware of the potential of urban development to increase demand for rural produce, and to support other rural income-earning opportunities. Urban specialists need to understand that in many places rural demand for goods and services, and the potential to add value to rural produce, are the basis for prosperity in urban areas. Both need to question whether the patterns and processes of rural and urban development seen in richer countries are going to be repeated in low-income countries – or whether alternatives will emerge.

We believe that governments and donors need to do more to meet the challenges of urban and rural change. The challenge for the Urban and Rural Change Team is to develop useful and appropriate policy and tools to facilitate this.

KEY POLICY ENTRY POINTS



This section outlines some entry points for tackling the challenges of urban and rural change in order to maximise the benefits and minimise the costs for poor people.

Understanding the impacts on the ground of shifts in policy

Labour markets

Urban and rural change is closely linked to developments in where and how people work. While there is knowledge about formal sector labour markets, there is less understanding of the movements of people and jobs in the informal sector, or of the movements of jobs and people between sectors and activities, types and patterns of remittances and the needs of migrant populations. An initial priority is to study changing labour markets and the way remittances and movements of people – in different locations and between generations – can reduce poverty. This will help identify policy options which will meet the livelihood needs of poor people and facilitate economic growth.

Social and political dimensions of urban and rural change

Changes in where people live and how they earn a living have an impact on how they see themselves, how they relate with others and with governments. Processes of urban and rural change are accompanied by changes in household structures and gender roles, in people's

expectations and in people's visibility to decision makers. These all contribute to changes in the nature and distribution of poverty and vulnerability. Some important areas for policy analysis are:

- ▼ the extent to which these changes in social and political relations have affected women and men's perceptions of security and insecurity;
- ▼ the impact of migration on people's relations with government institutions; and
- ▼ the process by which urban and rural change becomes a political issue. For example, the visibility or non-visibility of migrants and their accompanying rights. And the process by which growing urban settlements are conferred appropriate status with corresponding powers, capacities and resources.

Some policy responses – at international, national, regional and local levels

A better understanding of urban and rural change – of the specific needs of poor people living in different locations, of local and regional inequalities, and of the impacts of policies on the ground – will increase the effectiveness of efforts to achieve all the Millennium Development Goals.

KEY POLICY ENTRY POINTS



Target 11 of the Millennium Development Goals aims to ‘improve the lives of 100 million slum dwellers’, addressing one highly visible sign of badly managed urban and rural change – the expansion of slums and the poor living conditions within them. But this is a vaguely worded target and a priority is to clarify our understanding of what ‘improving the lives of 100 million slum dwellers’ means in a particular country or city context, and to raise the profile of this target.

National: government responses

To take a more holistic approach to rural and urban development, effective government is needed at all levels, with more dialogue between different ministries and institutions. The need for more effective and accountable government is particularly acute **at regional, municipal, district and village level** because this is where urban and rural links are most apparent and most appropriately addressed.

Regional: improved understanding of regional economic inequalities

The patterns of urban and rural change are varied and include urbanisation, de-industrialisation in large cities, growth of secondary towns, and increases in off farm rural activity. The changes are complex and interrelated, and may lead to changes in regional growth patterns and growing regional inequality. It is vital for poverty

reduction for policy makers and decision takers to understand the nature of regional patterns of change through the rural/peri-urban/urban continuum.

It is also necessary to find tools to address regional economic inequalities. Previous approaches need to be reviewed and assessed in the light of new developments. Approaches worth a fresh look include: regional planning, poverty mapping and strengthening local level data, and new economic geography. It is also important to assess the successes and failures of previous government actions to tackle regional economic equalities¹¹.

Local: using local area data to improve service delivery in response to where people live and work

Poor people’s access to different services is affected by where they live on the rural-urban continuum and different service providers operate in different locations, but policy does not always reflect this. In the water sector, for example, many different organisations may be involved in water supply and sanitation – the international private sector, community based organisations, local governments and municipalities – and each works best in a different environment. For example, larger public private partnerships rarely operate outside large cities, and within larger cities are often unwilling to deliver to slums, which may be much more efficiently served through local communities.

KEY POLICY ENTRY POINTS



When policymakers don't take these differences into account, the achievement of the MDGs related to health, education and water and sanitation is likely to be undermined. One reason is lack of good information, particularly local area data, which can help policy makers to identify areas of need for different services and find ways to ensure that service providers do not neglect people living in these locations. Initial priorities for policy work are:

- ▼ improving understanding of the implications of where poor people live on their access to services, taking a cross-sectoral approach; and
- ▼ exploring how local area data can be used to improve service delivery to the poor in different locations.

Future scenarios

For policy makers to understand and adapt to changes, they also need a methodology for longer term planning. This will enable them to identify critical longer-term issues to inform future policy and research agendas. One emerging methodology is scenario planning, which involves development of a range of likely scenarios – built on an understanding of current trends, possible changes and interdependencies, and potential shocks and stresses.

Footnotes

SECTION 1

1 UN-Habitat (2003) *Slums of the World*

SECTION 2

2 UN-Habitat (2001) *The State of the World's Cities*

3 Satterthwaite, D. (2002) *Coping with rapid urban growth*, UK: RICS

4 UN (2002) *World Urbanisation Prospects: 2001 Revision*

5 UN-Habitat (2003) *The Challenge of Slums: Global Report on Human Settlements*

6 Satterthwaite, D. 'The ten and a half myths that distort the urban policies of governments and international agencies', paper commissioned for the 21st Century Urban Scenario, CD-rom, DFID/UN-Habitat

7 Sources: Satterthwaite and Tacoli 2003; United Nations. Principles and Recommendations for Population and Housing Censuses, Revision 1. Series M, No.67, Rev.1 (United Nations publication, Sales No. E.98.XVII.1). (P1.3); Ashley and Maxwell 2001

8 http://unstats.un.org/unsd/cdbdemo/cdb_dict_xrxx.asp?def_code=151

9 Wiggins, S. and Proctor, S., "How Special Are Rural Areas? The Economic Implications of Location for Rural Development", *Development Policy Review*, 2001, 19 (4): 427-436

10 Lipton M, 1975 'Urban bias and food policy in poor countries', in *Food Policy*, November 1975: 41-52

SECTION 3

11 Several things have changed since regional planning was last in vogue including a much better appreciation of democratic processes and the advent of vastly improved technology for handling spatial and geographic data.

URBAN AND RURAL CHANGE IN SUB-SAHARAN AFRICA

Predominantly agricultural and rural

Sub-Saharan Africa is still predominantly agricultural, and at least two thirds of the population live in rural areas. The rate of growth of urban areas in most countries has slowed over recent decades and the region is characterised by the lowest levels of urbanisation in the world.

Poor families rely increasingly on diverse livelihoods

However, the picture is more complex than that. The distinction between rural and urban areas is becoming increasingly blurred, and many rural households are diversifying their income strategies, often deriving additional income from remittances sent back by urban migrants. In the Sahel, remittances can be the most important source of cash for farm households. Overall, it is estimated that between 30 and 60% of rural households' income now comes from non-farm activities, and that in southern Africa, this percentage can be as high as 90%. Conversely, farming is also important for many urban-based households, especially in smaller urban centres where it can be the second occupation for 75% of households.

Urban growth has not been accompanied by economic growth

At the same time, although the level of urbanisation, at only 30%, is the lowest in the world, the rate of urban

population growth in some countries is amongst the highest – at 5% in Ethiopia and 6% in Malawi. Most significantly, this growth rate has not been accompanied by economic growth. In other parts of the world, urbanisation has been accompanied by economic growth, as people, goods and services move toward areas of concentrated economic activity. The key questions to ask are why this has not occurred in Sub-Saharan Africa, what is actually driving urban population growth and poverty, and how can economic growth be strengthened?

Urban poverty is growing

Urban growth in the region is associated with rising levels of urban poverty, poor urban infrastructure, weak urban management and governance, and limited economic investment. Indeed, the urban poor now make up the majority of the population of nearly all sub-Saharan African towns and cities. UN-Habitat has recently estimated that 72% of the urban population in Sub-Saharan Africa, or 166 million people, live in slums. Poverty will continue to concentrate in cities and towns if national and local governments do not address these issues.

Some country-specific drivers of urban and rural change

It is difficult to make generalisations about these patterns for the whole of Sub-Saharan Africa. There are a number of special cases which account for particular patterns – war and conflict has fuelled rural-urban migration in Angola, Mozambique, Sudan and Liberia;

REGIONAL ASPECTS OF URBAN AND RURAL CHANGE

URBAN AND RURAL CHANGE IN SUB-SAHARAN AFRICA



prolonged drought and famines have led to migration by displaced rural people in Mauritania and Ethiopia. In South Africa, rural-urban migration has increased following decades of restrictive apartheid legislation that artificially held down the level of urbanisation. At the same time, there are also cases of reverse migration, as occurred in Zambia during the decline of the copper industry.

Structural adjustment policies also affected patterns of change

The general pattern in Sub-Saharan Africa is now also attributed to flawed structural adjustment policies in the 1980s, which focused too much on perceived 'urban bias' and neglected the high rates of urban unemployment that had accompanied rapid urban growth in the 1970s. Although urban dwellers had undoubtedly benefited from subsidised food and other advantages, their privileged status had been exaggerated. Urban incomes dropped dramatically and, by the late 1980s, a new urban poor had developed which is still with us to this day.

The location of key natural resources has strongly influenced patterns of development in the region.

The patterns of urban and rural change in Africa have been strongly influenced by growth and decline in natural resource extractive industries (mining for diamonds and other commodities, forestry, oil extraction). Urban growth in Zambia and South Africa grew around mining industries for copper and gold respectively – but many of these

centres are now in decline. Elsewhere 'scrambles' for mineral wealth have led to rapid surges in local populations, and sometimes conflict over land and resources (which often speeds up urbanisation as people flee from fighting).

Angola's capital, Luanda is home to over 60% of the country's urban population. This is an unusually high proportion and reflects the history of conflict.

Urban-rural links and HIV

With 25 to 28 million people living with HIV infection, the HIV/AIDS epidemic is having a significant effect on many African countries. Increased movement and urban-rural links have played a role in increasing infection and the effect of the epidemic is felt in both rural and urban areas. Among other obstacles to preventing and treating infection, access problems prevent people living in remote rural areas and some urban slums from getting access to health and social services.

Lack of reliable data

The census information we have on Sub-Saharan Africa is mostly incomplete and unreliable. We need to be cautious when making and accepting statements on changes in the size, structure and distribution of populations.

Urban and rural change in Asia

Rapid urban transition

Although 60% of Asia's population still lives in rural areas, it contains half of the world's urban population. The non-agricultural sector is growing most rapidly which helps to explain why Asia contains many of the nations experiencing the world's most rapid urban transition (such as China). Industry and services now account for more than 75% of Asia's GNP. This region includes most of the world's fastest growing large cities. Asia's rural population is hardly growing at all and virtually all population growth is expected to be in urban areas for the foreseeable future.

Agricultural change supported urban growth

The rapid urban transition was in part made possible by what is known as the 'Green Revolution' in agriculture. During the late 1960s, 1970s and 1980s, spectacular yield improvements became possible due to fast dissemination of new technologies. For example, high-yielding varieties of rice are now planted in 90% of India's rain-fed and irrigated rice areas. Technological advances have not been without their problems, however, such as dependence on agro-chemicals and the high costs to poor farmers of all the inputs they need.

In China between the mid-1980s and the mid-1990s, an estimated 80 million people moved from rural areas to cities and towns, and about half settled there permanently.

Nevertheless, by the late 1990s, unemployment was still considered to be a serious problem in rural areas. It was estimated that about 35% to 40% of the agricultural workforce (120 to 140 million people) were 'surplus' to requirements. The government regards further urbanisation as key to continued economic growth.

Urban-rural links are strong

With the help of new transport and communications technologies, urban expansion in Asian countries often takes the form of extended outskirts to urban areas. Some 'city regions' have a radius of up to 100km, and within them, agriculture, cottage industries, industrial estates, suburban developments and other land uses exist side-by-side. Within a city region, farming for urban consumption brings increased returns for farmers. Elsewhere, agricultural livelihoods are threatened by expanding cities and increasing environmental damage, for example areas downstream of Hanoi.

New opportunities in urban areas, particularly for women

Industrialisation has provided many jobs in cities and towns. Historically it was mainly men who moved to find work, but more recently increasing numbers of young women have moved to cities to take up new opportunities, for example in the garment industry.

Significant regional inequalities

Uneven development (or different access in different places to natural, social, political and economic

REGIONAL ASPECTS OF URBAN AND RURAL CHANGE

URBAN AND RURAL CHANGE IN THE MIDDLE EAST



resources) is a critical issue in many nations in the region. In Thailand – often seen as a success story in terms of rapid economic growth – much investment remains concentrated in and around Bangkok Metropolitan Region. Attempts at urban and industrial decentralisation have had little effect, mainly because policies did not take account of local conditions in the surrounding regions, and did not tackle the social, political and economic issues underlying spatial trends.

Urban and rural change in the Middle East

Cities have historically played an important economic and political role in Middle Eastern societies. Today, close to two-thirds of the region's population live in urban areas. Yemen is the only country that is not mainly urban. Many of the countries in this region have experienced extremely rapid urbanisation in recent decades, associated with economic changes linked to the oil industry, the declining potential of agriculture in a region with limited water, the movement and settling of nomadic herding groups, and conflict.

Economic growth and industrialisation also promote the growth of urban areas, for example in Egypt where Cairo has grown steadily over the past 20 years, despite considerable government investment in building other cities. The past 20 years have also seen many slum settlements in cities becoming formally established and receiving services (water and sanitation) and schools.

Yemen's rapid urbanisation is mainly caused by people migrating from rural areas, but was boosted by one million overseas workers returning in 1991 following the Gulf War. The urban population has grown from 6% of the total in 1950, to 27% in 2000, and is predicted to reach 41% by 2030. The population is also becoming increasingly concentrated in a few districts.

The government is encouraging investment in the coastal port cities (Aden, Hodeidah and Al-Mukalla) and the development of new industrial zones. In the rapidly growing towns and cities, planning and services are failing to keep up, and informal settlements are growing.

Conflict is a main cause of urban and rural change in the region, seen in the large number of refugees living in many cities, for example Palestinians living in Syria, Lebanon and Jordan.


Historical changes shape where people live today. In Beirut, slums have developed in three waves of migration to the city.

- ▼ From 1920 to 1955, camps and low-income housing were provided for international refugees from Armenia and Syria (in the 1920s) and Palestine (in 1948).
- ▼ From 1950 to 1975, housing areas sprung up for migrants from rural areas.
- ▼ From 1975 to 1990, squatter settlements were formed by people who lost their homes during and after the Lebanese civil war

It is estimated that 20% of Beirut's population live in slums that are illegal.

REGIONAL ASPECTS OF URBAN AND RURAL CHANGE

URBAN AND RURAL CHANGE IN LATIN AMERICA AND THE CARIBBEAN



Rapid economic growth has resulted in high average incomes and large-scale investment in infrastructure and telecommunications systems in some countries in the region. But other countries are poor and many are experiencing high urban unemployment, particularly among young people. For years, the demand for qualified workers in the oil-exporting countries was met by encouraging workers to come from other countries, including Egypt. With declining rates of economic growth and increasing numbers of local graduates, many of these workers had to return home, swelling the numbers of people looking for work in their own countries. Even in countries that export oil, the number of qualified people is greater than the number of jobs available. However, graduates are reluctant (or unqualified) to accept unskilled and semi-skilled jobs in sectors such as services or construction, and many migrants from rural areas lack suitable skills. This demand has been met by bringing in workers from countries such as Bangladesh and the Philippines. Elsewhere, in cities such as Damascus and Cairo, there is a thriving informal sector.

Urban and rural change in Latin America and the Caribbean

Latin America is a highly urbanised region with a small agricultural sector, but rural poverty remains significant. Towns and cities are now home to 75% of the region's population and contain most of its economic activities. In 2001, only 7% of GNP came from agriculture, with industry and services – mostly located in urban areas – producing the remaining 93%. Between 1950 and 2000, the urban population grew by 460%, while the rural population grew by 30%. In general, the nations with the largest growth in their economies since 1950 have become the most urban. During the 1980s and 1990s, the speed at which many nations urbanized and the speed at which their largest cities grew reduced because economic growth slowed or stopped. Nevertheless, many Latin American countries now have large industrial sectors and sophisticated service sectors.


Most of the people living in urban areas live in towns and cities with less than a million people, and many live in much smaller towns. For example, 37% of people in Costa Rica live in urban centres with less than 50,000 people.

Many small towns are thriving

In recent decades, many of the more rapidly growing small cities have been market and service centres in areas producing high-value crops (such as fruit, vegetables and coffee), although economic success depends on national demand and international prices.

REGIONAL ASPECTS OF URBAN AND RURAL CHANGE

URBAN AND RURAL CHANGE IN EASTERN EUROPE AND CENTRAL ASIA



Tourism has also benefited many smaller cities. Better transport and communications systems, decentralization and stronger local democracies have brought increased prosperity to many smaller towns and cities, often creating more employment opportunities for people living in nearby rural areas.

Large cities are not growing as fast as predicted

The region includes some of the world's largest cities (Mexico City, São Paulo, Buenos Aires and Rio de Janeiro). However, the populations of these cities were significantly smaller in 2000 than had been predicted 20 years earlier (for example, Mexico City had half the predicted 32 million inhabitants). This is because:

- ▼ Fertility rates in urban areas dropped more rapidly than anticipated;
- ▼ The growth in trade and employment opportunities slowed, so more people moved out than moved in; and
- ▼ Smaller cities have become more competitive, increased their economic role, and attracted investment away from the largest cities. In northern Mexico this was related to closer integration with the US economy, and in São Paulo it has resulted from the attractive investment environment in smaller cities like Curitiba and Porto Alegre.

The region is characterised by high inequality

Inequality is extreme and patterns of poverty vary from place to place. Sections of the rural population are extremely poor, particularly if they live in a remote area, lack land rights or belong to an ethnic-minority group. There are also many rich landowners in rural areas. In urban areas, there are similar contrasts between poor people living in informal settlements and exclusive gated communities for the rich.

Urban and rural change in Eastern Europe and Central Asia

The collapse of the former Soviet Union and economic reforms in the region have resulted in a number of urban and rural change processes:


- ▼ Changes in labour markets, reflecting the reduced investment in state-owned agriculture, industries and public services;
- ▼ People in rural areas trying to earn a living from non-agricultural activities;
- ▼ Governments being less responsive; and
- ▼ Vulnerable groups being excluded.

Eastern Europe is predominantly urban

More than two-thirds of Eastern Europe's population live in urban areas and only the Republic of Moldova remains

REGIONAL ASPECTS OF URBAN AND RURAL CHANGE

URBAN AND RURAL CHANGE IN EASTERN EUROPE AND CENTRAL ASIA



more rural than urban. Urbanisation levels in the region average 60-70% – they were under 40% before World War 2. Although the urban population grew steadily from 1950 to 1990, it has remained stable in the past decade, reflecting political turmoil (the Balkans) and unchanging or failing economies (for example, in the Russian Federation).

Central Asia remains mainly rural

Population is still mainly rural (about 60%) and it has been greatly affected by the collapse of state farms and inequitable land-reform measures. Many people living in rural areas have tried to earn alternative incomes but reduced resources for social services and for transport and communication systems restrict the growth of a private non-agricultural sector. This has led to rural unemployment and men increasingly searching for work in Russia and Ukraine, or in urban areas.

Past government policies encouraged urban-based economic growth

In the same period (1950 to 1990), rural populations and the number of rural settlements declined. This is because priority was given to industrialisation and urban-based production, while abolishing peasant farms in many places reinforced the difference between urban and rural wages. Before 1989, government policies promoted the growth of large towns and cities to provide workers for state-run enterprises. Despite reversal of these policies, the concentration of services (schools

and health facilities) in larger centres still made urban areas more attractive to rural residents.

Economic decline in urban areas

In urban areas the steep decline in industrial production since 1990, and the closure of state-owned enterprises, has led to increased unemployment. Many people looking for work cannot find affordable housing, cannot afford to relocate, or lack information about alternative employment. Many try to earn alternative incomes in small and medium-sized private enterprises, but these efforts are hampered by bureaucratic restrictions. Local governments lack the experience and resources to fill the gap in housing and social services previously provided by the state. The situation is made worse by the lack of clear lines of responsibility between central, regional, municipal and community institutions.

Recent economic and political changes will change settlement patterns

The major political and economic changes that have taken place since 1989 are likely to bring big changes to population patterns as a result of changes in the scale, nature and distribution of economic activities. The old inefficient 'smoke stack' industrial centres are in decline and may cause people to migrate out of these centres as their economies decline. Also, the political and administrative functions of each new republic are being concentrated in their capital cities.

REGIONAL ASPECTS OF URBAN AND RURAL CHANGE

URBAN AND RURAL CHANGE IN EASTERN EUROPE AND CENTRAL ASIA

Rural livelihoods are adapting

Rural reform may help rural economies, with the growth of small private farms (focusing around local centres and smaller settlements) to replace state farms. In the meantime, to survive losses of wage employment and massive declines in the real value of wages and social support payments, many households in both urban and rural areas are relying on small-scale subsistence agriculture.

Urban poverty is growing

Officially, cities such as Moscow do not have 'slums'. However, a lot of the accommodation available does not meet current urban standards and there is a severe housing crisis. The housing sector has never received enough resources to provide adequate shelter for the poor and migrants.

Conflict has influenced the direction of change

Conflict also affects the flow of people migrating and the prospects for economic recovery. For example, conflict in the Balkans has led to more people migrating to Western Europe.

In 1993, it was estimated that there were more than two million refugees and forced resettlers in Russia, with a large number of people moving between Armenia, Azerbaijan and in the north Caucasus.

Rapid change does not always provide improved livelihoods, and has led to social problems

While opportunities have grown for some groups, such as young people in larger towns, vulnerable groups are excluded. Many women have been forced to move into poorly paid informal sector work, and some have experienced a decline in their status and have been forced to revert to pre-socialist roles where they are treated as less than equal. There has been a dramatic rise in the numbers of people working in the sex trade throughout the region. This, together with increased drug trafficking through countries bordering Afghanistan, has resulted in alarming rises in HIV and AIDs. Drug and alcohol abuse and suicide are common in the poorest areas.

EXPLORING FUTURE SCENARIOS

What will societies look like in 2015?

Will most people really be living in towns and cities?

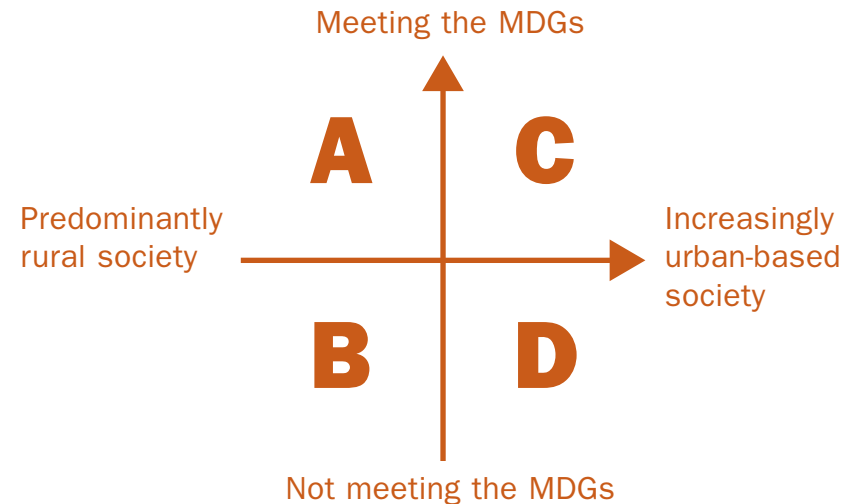
Will there be over 1 billion slumdwellers?

The answers to these questions depend on a huge range of factors which are often very hard to predict. Obviously no-one knows exactly what the future will hold. This section takes a simple approach of looking at four 'simplified' future scenarios. The aim is not to be totally realistic or predict which scenarios are more likely in a given country. Instead we are aiming to provoke thinking, and to show that taking a longer time horizon can give a different perspective on current priorities.

Examining four possible scenarios

The diagram below illustrates four possible scenarios based around two axes:

- ▼ one moves from a predominantly rural-based society towards a highly urbanised one; and
- ▼ the other moves from a society where MDGs are not being met, towards the ideal situation where by 2015 they have all been achieved.




SCENARIO A: Rural Bliss

Making the most of urban and rural links


The majority of the population live in rural areas, and there are strong links between high-value agriculture, manufacturing and services. This has resulted in higher incomes and increased livelihood security for all groups. This is because:

- ▼ local people, including the poor, have been able to take advantage of rural-urban links and new opportunities for making a living locally;
- ▼ rural and small-town based industry and tourism has grown due to low cost of labour, good transport links, and local natural attractions;


EXPLORING FUTURE SCENARIOS

- 
- ▼ small towns are able to provide appropriate markets and services for surrounding rural regions;
 - ▼ there is a reduced need for people to migrate to cities – if there is a need for city-based facilities (for example, national government, specialist medical care.) travel and communications are easy.


Capable government at all levels



National, regional and local governments with a commitment to poverty reduction, and real authority and adequate resources, have led to:

- 
- ▼ increased investment in education and health;
 - ▼ improved infrastructure and other services;
 - ▼ increased focus on sustainable use of natural resources. For example managing water resources, and implementing innovative environmentally sound approaches in agriculture and industry.
 - ▼ significant investment in job creation in rural areas.

Well-developed civil society



Citizens are taking an active role in the development of their country, and in ensuring local development meets local needs – including those of the poorest and most vulnerable.

Is this happening already?

This scenario is not commonplace. Studies show that even where governments and donors focus significant resources into rural areas, it has been hard to stop migration from low potential to high potential areas, and from rural areas to urban centres. It is unlikely that a heavily rural-based economy will be able to meet the MDGs.

SCENARIO B: Rural Misery

Pressure on agricultural land is increasing

The vast majority of the population continue to live in rural areas. Much of their land is low potential, and average plot sizes are small and declining. Natural resources are being rapidly depleted as the poor have few alternatives.


Weak urban-rural links and few off-farm opportunities

There are inadequate links to towns or cities, reducing access to agricultural inputs, services, markets and other opportunities. There is little investment in agricultural extension, infrastructure and communications to improve this situation. This means limited potential for increased production and limited off farm opportunities for rural dwellers. Poverty is worsening.

Urbanisation is low


Migration to urban centres is discouraged to avoid growth of slums, and because of ideological attachment

EXPLORING FUTURE SCENARIOS




to the idea of ‘rural peasants working their land’. However, lack of labour is one factor that is slowing growth in non-farm sectors, such as manufacturing and services.

Political participation is discouraged



Government is distant for most of the population, and in some ways there is government interest in maintaining the status quo. Keeping the majority of the population in rural areas discourages the growth of a mobilised and politically active opposition – which tends to emerge where populations are more concentrated in towns and cities.


Is this happening already?



These factors are already found in much of sub-Saharan Africa. It was also true for areas of China until recent policy changes.

SCENARIO C: Urban Ideal

Making the most of urban-rural links



The majority of the population live in urban areas, but as in ‘rural bliss’, the links between rural and urban areas are strong. This means that those living in both rural and urban areas benefit from:

- ▼ balanced investment in agriculture, manufacturing and services with associated employment opportunities;

- ▼ improved access to services and economic opportunities though improved transport and communications;

Effective local governments

Capable government at all levels, including local governments with real authority and adequate resources, has resulted in:

- ▼ improved services designed to reach both rural and urban areas,
- ▼ security of tenure for slum dwellers,
- ▼ equal rights for the poor in urban and rural areas, including recognition of their contribution to economic growth,
- ▼ improved management of environmental resources in urban centres, reducing the resource use and minimising flows of wastes,
- ▼ fewer people living in slum conditions and declining numbers of urban poor.

Urban opportunities realised

Investment in basic environmental and financial services for residents and businesses in urban settlements has enabled manufacturing and services to develop, and helped urban centres to absorb migrants from rural areas.

EXPLORING FUTURE SCENARIOS



Functioning civil society

Well-developed civil society organisations in rural and urban areas have helped vulnerable and poor groups (including women) have a say in political issues, improved the way policies are planned, and held public bodies to account.

Is this happening already?

These factors are found already, but rarely throughout an entire country or city. Some examples of note are:

- ▼ Curitiba in Brazil – which has excellent city transport systems;
- ▼ Porto Alegre – which has participatory municipal budgeting; and
- ▼ the West African “Ecoloc” programme, which is looking at integrated approaches to urban and rural development

SCENARIO D: Urban Squalor

Massive rural-urban migration despite lack of opportunities in urban areas

The majority of the population have moved to urban areas, opportunities have either declined (due to industrial collapse) or have not grown as anticipated. This means a growing number of the urban poor are unemployed or underemployed. Some of the migration to

urban areas has been caused by ‘push’ factors – conflict and natural disasters, and increasing landlessness in rural areas.

Rapid growth of urban slums

The population in urban centres is growing fast. Government, and other service providers, are unable or unwilling to keep up in terms of adequate service delivery and planning for low income housing. Essential infrastructure is lacking, and overcrowding and environmental health problems become commonplace. The urban poor are in some places even worse-off than their rural counterparts.

Increasing inequality between regions

A lack of local businesses supplying goods and services to the rural population has reduced the role of small urban centres. This limits local economic development in rural regions, and the poor have little alternative but to migrate to larger cities. These cities place increasing demands on the surrounding countryside – in terms of resources, and pollution. The few people living in rural areas are increasingly isolated and marginalized from national development processes.

EXPLORING FUTURE SCENARIOS



Increasing social problems such as crime and violence

Unemployment, unsanitary living conditions, weak judicial and policing systems, and increased feelings of exclusion have increased crime and anti-social behaviour in urban areas. Recent migrants, minority groups, and women are often the most vulnerable.

Is this happening already?

Many of the above factors are familiar in some of the world's largest cities (Mumbai, Nairobi, Rio de Janeiro, Jakarta) although they are rarely a problem across an entire country. Slums are already estimated to be home to over 800 million people, and this is predicted to grow to between 1 and 2 billion by 2020. But it is worth noting that:

- ▼ the worst slums and conditions of urban poverty are not always found in mega-cities – and this scenario could equally apply to growth of smaller cities.
- ▼ Mega-cities have so far not grown as fast as predicted.

USEFUL LINKS

For more information

The following are useful starting points for further information about different aspects of urban and rural change, but this certainly doesn't claim to be an exhaustive list.

Integrating rural and urban development

Urban and rural change will soon feature as a hot topic on the Livelihoods Connect website <http://www.livelihoods.org/>

IIED's research with Southern partners on rural-urban linkages http://www.iied.org/rural_urban/

World Bank policy work on integrating rural development and small urban centres <http://www.worldbank.org/urban/urbanruralseminar/>

The Development Planning Unit's work on living between rural and urban areas at the peri-urban interface: <http://www.ucl.ac.uk/dpu/pui/index.htm>

Keysheet on rural-urban linkages http://www.keysheets.org/red_10_ruralurban.html

A UNDP project in Nepal which aims to address rural and urban development problems and needs together, with a focus on rural-urban linkages <http://www.undp.org.np/projects/nep96003.htm>

ID21 often includes articles related to rural-urban or peri-urban issues: see <http://www.id21.org/insights41> as well as <http://www.id21.org/urban/> and <http://www.id21.org/society/>

The Livelihoods Connect website includes a section on migration, including rural-urban migration http://www.livelihoods.org/hot_topics/migration.html


Spatial and regional approaches to development

The UN World Institute for Development Economics Research website includes a wide range of related topics including spatial analysis and labour markets <http://www.wider.unu.edu>

The Earth Institute has a strong focus on geography in development and urbanisation <http://www.earthinstitute.columbia.edu>

Virtual British network of leading economic geographers <http://www.econgeog.org.uk>

USEFUL LINKS



UK academic work on urban and regional development – Centre for Urban and Regional Development Studies at Newcastle University <http://www.ncl.ac.uk/curds/> and Centre for Urban and Regional Studies at the University of Birmingham <http://www.curs.bham.ac.uk>

Local Economic Development and livelihood diversification

The World Bank's Local Economic Development website, particularly focused on urban areas
<http://www.worldbank.org/urban/led>

The Rural Non-Farm Economy project at the Natural Resources Institute <http://www.nri.org/rnfe/index.html>

The CGIAR Urban Harvest website, on peri-urban and urban food security and agriculture
<http://www.cipotato.org/urbanharvest/home.htm>

RUAF's work on urban agriculture and forestry, including links to regional partners <http://www.ruaf.org/>

Keysheet on Non-farm income in rural areas http://www.keysheets.org/red_14_non_farm_income.html

UEA's research includes focus areas of livelihoods diversification and migration
<http://www.uea.ac.uk/dev/research/research.shtml>

Urban outcomes of urban and rural change

Cities Alliance: a global network of cities and donors, including the Cities Without Slums initiative
<http://www.citiesalliance.org>


IFPRI's work on the impact of urban and rural change on urban food security
<http://www.ifpri.org/2020/focus/focus03.htm>

The International Development Department at the University of Birmingham have a strong focus on urban governance
<http://www.idd.bham.ac.uk/>

Research by Geoffrey Payne Associates on practical approaches to achieving land tenure for urban slum dwellers:
<http://www.gpa.org.uk/>

Human settlements programme at IIED, with a strong focus on urban poverty and the urban environment
<http://www.iied.org/human/index.html>

CONTACT US



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