# AN ANALYSIS OF RURAL-URBAN LINKAGES AND THEIR IMPLICATIONS FOR POLICIES THAT SUSTAIN DEVELOPMENT IN A SPACE CONTINUUM

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#### 1. INTRODUCTION

Rural-urban linkages can be defined as the structural social, economic, cultural, and political relationships maintained between individuals and groups in the urban environment and those in rural areas<sup>1</sup>. Rural-urban linkages can also refer to spatial and sectoral flows that occur between rural and urban areas. Spatial flows include flows of people, goods, money, technology, knowledge, information, and waste. By contrast, sectoral flows include flows of agricultural products going to urban areas, and goods from urban manufacturing areas going to more rural areas<sup>2</sup>. Typically, rural-urban linkages are often articulated in the nature and forms of migration, production, consumption, financial and some investment linkages that occur within the rural-urban symbiosis. The exchange of money, goods, visits including social activities, and communication with relatives and friends can all be used as indicators of rural-urban linkages<sup>3</sup>. Therefore, the nature and form of these linkages are not homogenous as they are

<sup>&</sup>lt;sup>1</sup> Lesetedi, 2003

<sup>&</sup>lt;sup>2</sup> Tacoli, 1998 cited in von Braun, 2007

<sup>&</sup>lt;sup>3</sup> Action Against Hunger, 2012

determined by both push and pull factors as highlighted in Figure 1-1.

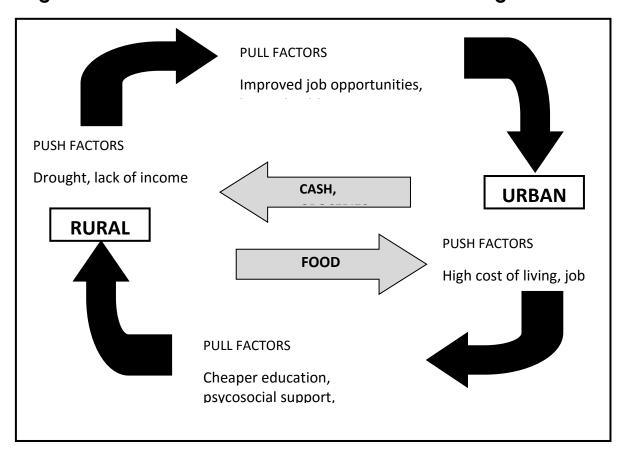


Figure 1-1: Push and Pull Factors in Rural Urban Linkages

Source: Action Against Hunger, 2012

The influence of push and pull factors can differ from one place to another and for different sectors. In most developing countries, especially low-income ones, urban areas symbolize a number of good things. They offer better jobs, respite from toiling on a farm without a decent income, safe drinking water, shorter distances to medical doctors and healthcare facilities<sup>4</sup>. These factors do not

<sup>&</sup>lt;sup>4</sup> Global Monitoring Report, 2013

only represent rural-urban dynamics but can also be an important source of rural poverty reduction<sup>5</sup>.

The focus in this paper is to provide greater clarity and awareness about rural-urban linkages as well as their impact on development and livelihoods across the two spaces. The emphasis is on how urban and rural areas intersect and how these linkages can be mobilised for both urban and rural development. Typically, the discussion as a whole examines the impact of rural-urban linkages on livelihoods and transformations that occur in regional contexts rather than merely describing them. Accordingly, the paper highlights key drivers of rural-urban linkages and recommend specific policies which can be used to achieve mutually beneficial relationships between rural and urban areas<sup>6</sup>. Likewise, the objective in this paper is to examine the notion of rural-urban linkages and how they can be improved to reduce poverty and inequality, enhance inclusive development, and economic growth. Overall, the discussion emphasizes interdependencies that occur between the two spaces and is conceptualised in ways that enable the identification of specific entry points for policy development. The vital importance of policy levers is that when they are used correctly, they can expand livelihood opportunities for both rural and urban inhabitants. Finally, this

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<sup>&</sup>lt;sup>55</sup> Global Monitoring Report, 2013

<sup>&</sup>lt;sup>6</sup> Livelihoods in this paper are defined as the ability to earn an income that enables the individual or household to overcome vulnerability, maintain dignity, control their lives, take risks to seize opportunities, and rebound from setbacks in everyday life by meeting their needs and accruing assets, Yellow Wood Associates, 2011 cited in Dabson et al, 2012

paper attaches greater importance to the catalytic role that can be played by rural-urban linkages in development.

### 2. THE POLICAL ECONOMY OF RURAL-URBAN LINKAGES SINCE 1913

The objective in this section is to demonstrate the need for rigorous policy analysis which takes a historical perspective within the political economy of policy making. In particular, this section examines the evolution of urban-rural linkages in South Africa since 1913 as well as their impact on both rural and urban development. The way in which these rural-urban linkages have been articulated within the political economy of the apartheid spatial economy points to a fundamentally unbalanced relationship.

Since 1913, rural-urban linkages in South Africa occurred within a capitalist mode of production which evolved from a unique form of racial capitalism. Therefore, South Africa's rural-urban linkages cannot be fully understood without reference to the overall structure and functioning of South Africa's political economy. That is to say, the historical analysis of rural-urban linkages in South Africa cannot be addressed purely in economic terms as these linkages have evolved in specific historical, socio-economic and political relations. Accordingly, the analysis of rural-urban linkages

in this section includes history, culture, political, social and economic issues that continue to shape rural-urban linkages in South Africa. This analysis acknowledges the importance of giving attention to systemic forces and structural processes that produce and reproduce social realities. Furthermore, this analysis recognises the interplay of ideology, culture, economy, and development as these factors can enhance or constrain development.

It was in June 1913 when the Land Act was passed. The Act disposed the majority of the population of their land and livelihoods<sup>7</sup>. In particular, the Act created a system of land tenure that deprived the majority (Blacks) of South Africans of the right to own land in 'White South Africa'.

The Act divided South Africa into a racially divided world of White South Africa and Black Homelands or reserves. The reserves made up 8 percent of the land although this was later increased to 13 percent through the Native Trust and Land Act of 19368. In more explicit terms, the majority of South Africans (Blacks) were given 13 percent of land while the minority (Whites) owned 87 percent of the land. The significance of the Act is that it reduced the available land area which formed the backbone of the Black rural economy.

<sup>&</sup>lt;sup>7</sup> South Africa, undated

<sup>&</sup>lt;sup>8</sup> South Africa, 2012

The Act also abolished cash tenants and sharecroppers thereby reducing them into labour tenants or wage labourers. It led to the displacement of people and their relocation to the reserves. This situation caused overcrowding in the reserves where few people could eke out a living on increasingly less land.

In the reserves Africans could own land albeit without a secure tenure<sup>9</sup>. The traditional leaders (traditional chiefs) controlled the land in the sense that they could allocate the land to the members of the community<sup>10</sup>.

The Land Act was the first major piece of segregation legislation that was passed by the White government and it became the major cornerstone of Apartheid South Africa. The passage of the 1913 Land Act marked the first comprehensive move towards legislative efforts that were aimed at ensuring territorial and racial segregation in South Africa. The 1913 Land Act as a cornerstone of territorial and racial segregation ignored the effects of centuries of cultural contacts between Blacks and Whites in South Africa<sup>11</sup>.

The maintenance of separate areas with distinct productive relations formed the basis of the racial policy of segregation. Segregation meant that the spheres of land and property

<sup>10</sup> Letsoalo.1987

<sup>&</sup>lt;sup>9</sup> Skelcher, 2003

<sup>&</sup>lt;sup>11</sup> Legassick, 1974

ownership were racially separated. The Africans (Blacks) had to enter the White towns for the purposes of employment only. Arbitrary checks on passes were essential to maintain influx control. The Black spheres were insulated from the operation of the capitalist economy in so far as possible but yet the Black areas were insufficient to sustain a self-supporting peasantry and therefore extruded a migrant workforce<sup>12</sup>.

As a result of the 1913 Land Act, the reserves became reservoirs of migrant labour<sup>13</sup>. Indeed, following the passage of the 1913 Land Act, African peasants showed signs of agrarian degeneration and their rural underdevelopment was well underway<sup>14</sup>. Accordingly, rural inhabitants became increasingly dependent on remittances from migrant labourers<sup>15</sup>. That is to say, the 1913 Land Act created a social class that was increasingly forced to sell its labour in order to survive<sup>16</sup>.

The growth of the mining economy and urban centres was based on the exploitation of rural areas which prevented their own development potential. Likewise, the development of cities in South Africa occurred with simultaneous destruction of the rural economy and social exclusion of rural inhabitants. For example,

<sup>&</sup>lt;sup>12</sup> Legassick, 1974

<sup>&</sup>lt;sup>13</sup> Skelcher, 2003

<sup>&</sup>lt;sup>14</sup> Bundy, 1988

<sup>&</sup>lt;sup>15</sup> Bundv. 1988

<sup>&</sup>lt;sup>16</sup> Bundy, 1988; Magubane1990

when the mining operations demanded large numbers of harvested trees for shoring materials, more land in rural Natal was earmarked for gum tree plantations. Consequently, people were removed to make way for gum tree plantations. This situation further disrupted and destroyed forms of land based livelihoods in rural Natal.

Indeed, the Act had major socio-economic repercussions. In its initial focus, it was guided by the interests of White capitalists for labour resources needed for the gold and diamond mines as well as the needs of the commercial agriculture. In order to accomplish this objective, it was necessary to disrupt people's relationship with the natural environment. By denying them access to natural resources, they could no longer sustain themselves thus forcing them into a growing pool of labour for mining and commercial agriculture<sup>17</sup>. Therefore, the 1913 Land Act secured the best agricultural land for white-owned commercial farmers and ensured the reproduction of cheap labour for the modern sector.

The Land Act ensured the motives and the need for spatial separation in order to maintain White domination<sup>18</sup>. Likewise, apartheid was an ideology that essentially cloaked the realities of

<sup>&</sup>lt;sup>17</sup> Skelcher, 2003

<sup>&</sup>lt;sup>18</sup> Mabin. 1992

domination and inequality<sup>19</sup>. It explained the interests of special groups as the general interest of the White population.

A particular contradiction occurred when the industrialisation of the capitalist economy in the 1940s required a more permanent labour force in order to develop the industries. By contrast, both farming and gold mining economies retained an interest in limiting or preventing permanent African urbanisation. This situation contradicted the apartheid policy as it influenced permanent African urbanisation for the manufacturing workforce albeit without franchise rights. Again, the decision made by the mining industry that the mines would be turning to geographically proximate, residentially settled urban Black labour markets for future supplies of labour was a profound break in mine labour practices<sup>20</sup>.

The government policy at the time was intended to control the movement of Blacks and settle them in territorially segregated areas on an ethnic basis. Black urbanization was assumed as a process that would continue to be confined to residentially segregated townships<sup>21</sup>.

<sup>&</sup>lt;sup>19</sup> Legassick, 1974

<sup>&</sup>lt;sup>20</sup> Hindson, 1987

<sup>&</sup>lt;sup>21</sup> Hindson, 1987

The African urban population was further divided into two segments. On the one hand was a permanently settled population housed in family dwelling units in the newly established residentially segregated townships on the peripheries of South African cities. On the other hand, was a temporary migrant workforce accommodated in single-sex compounds and hostels. The pass laws and other influx control measures were used to prevent Blacks from settling in urban areas in their numbers. As soon as the Africans were no longer fit for work in the labour market, they were expected to return to their place of origin, that is their homelands. Within this political economy, the Black workforce could not acquire the bargaining power to challenge the socio-political structures which sustained its comparative cheapness<sup>22</sup>. Therefore, the transition to capitalism in South Africa affected both Blacks and Whites but in different degrees. Since Blacks lacked political power, their employment in urban areas entrenched a migratory labour system and a whole range of designed to prevent their complete measures were proletarianization<sup>23</sup>.

This historical analysis of rural-urban linkages in South Africa represents a classic dual economy with urban spaces poorly integrated with the rural economy except through labour migration. The overall analysis shows that the White government adopted a dual economy approach which relegated the rural

<sup>&</sup>lt;sup>22</sup> Legassick, 1974

<sup>&</sup>lt;sup>23</sup> Bundy, 1988; Magubane, 1990

areas to the role of a labour reserve for the expansion of urban based-based industries.

Overall, rural-urban linkages occur in economic, social and political contexts<sup>24</sup>. Delinking rural livelihood systems from local resource base had negative impacts on the sustainability of rural livelihoods. Typically, the apartheid ideology dictated the shaping of a fundamentally unbalanced relationship which to a large extent created the glaring inequalities between urban and rural areas. Historically, it was not possible to develop strategies for better integration of rural and urban development within the political economy of the apartheid state. Likewise, the issue of rural-urban interface and its subsequent inter-dependencies did not form any major development concern for the government as long as the rural spaces functioned essentially as labour reserves.

While disparities between rural and urban areas have persisted for over a century, they became a major concern following the democratisation of South Africa. Improving the living conditions of the rural population have increasingly become a national priority. Therefore, giving more attention to rural-urban linkages can enhance our understanding of the complexities of poverty and urbanisation processes.

<sup>&</sup>lt;sup>24</sup> Dabson et al, 2012

#### 3. BRIDGING THE RURAL-URBAN DIVIDE

The objective in this section is to highlight the importance of looking at both rural and urban spaces as inter-related. The emphasis in this section is upon the interplay between rural and through various drivers- as our areasimproved understanding of this interface is critical in the formulation of national poverty reduction strategies particularly in our context of rapid urbanisation and existing rural-urban disparities. Throughout the discussion, the emphasis is on highlighting how rural and urban areas intersect and how these linkages can be mobilised for positive development outcomes in both rural and urban spaces. The analysis shows that rural-urban linkages offer opportunities for identifying possibilities that can be leveraged to stimulate rural local economic activities and local innovative productive systems that involve both rural and urban areas but in ways that are not harmful to each other. Overall, this analysis marks a departure from the existing situation where rural and urban spaces are viewed as distinctly different from each other.

Traditionally, development policy research has adopted a simplified concept of rural and urban areas with rural referring to more remote farming areas and urban to cities<sup>25</sup>. Likewise, economic activities associated with urban and rural areas have historically been viewed as mutually exclusive land uses. Therefore,

<sup>&</sup>lt;sup>25</sup> Von Braun, 2007

rural-urban dichotomy distorts the reality of rural and urban spaces and fails to address the interdependencies between the two areas. On the one hand, urban development tends to concentrate on the development of the urban areas and neglects both its impact and dependence on rural areas. On the other hand, rural development policies tend to focus on agriculture and related interventions and ignore the urban areas as if rural areas exist in isolation<sup>26</sup>. The division of spaces into rural and urban areas creates an imbalance and difficulty in developing strategic interventions that can benefit the whole space.

While rural and urban areas can be defined in specific and clear terms, with all the contrasts between them, there are many exceptions. Again, while rural areas may retain their traditional clear distinction from urban centres, increasing integration and interaction increasingly blurs the traditional urban-rural divide. For example, in Lindi, a southern town in Tanzania, farming is the main occupation for over half of its inhabitants<sup>27</sup>. Indeed, households' livelihoods often include both rural and 'urban activities'<sup>28</sup>. As shown in Figure 3-1, urban and rural economic activities are no longer mutually exclusive. By contrast, the analysis shows that a rural households sometimes rely on income diversification and on the combination of agricultural and non-farm incomes.

<sup>&</sup>lt;sup>26</sup> United Nations, 2005

<sup>&</sup>lt;sup>27</sup> Bah et al, 2003

<sup>&</sup>lt;sup>28</sup> Tacoli, undated

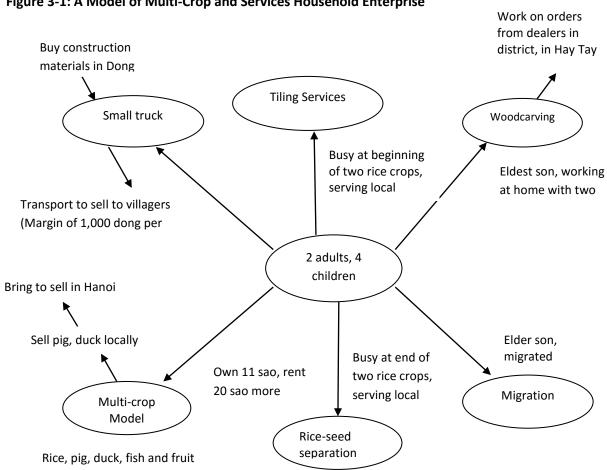


Figure 3-1: A Model of Multi-Crop and Services Household Enterprise

Source: International Food Policy Research Institute, 2005

The analysis of linkages between rural and urban areas matter because rural and urban livelihoods are interconnected. As incomes from agriculture decrease, rural households are forced to develop new and more complex forms of livelihood strategies which include both agriculture and non-farm incomes as well as remittances from migrants.

New spatial and sectoral patterns have emerged along the rural-urban continuum as a consequence of migration, road accessibility, information technologies, and production flows. Therefore, the existence of a web of inter-relationships and networks that link both urban and rural spaces blur the distinction between rural and urban spaces. Indeed, labour migration, flows of information, and services such as education and healthcare, enable people to keep one foot in the rural economy and the other in the urban economy. Indeed, rural women tend to be particularly active in rural-urban trade. They bring rural produce to urban markets and take consumer articles back to their villages. Therefore, policy research- especially on poverty- that treats rural and urban spaces as two distinct categories of analysis, neglects important interdependencies between the two spaces.

The analysis highlights that rural and urban spaces are increasingly intertwined and that positive rural-urban linkages can contribute to more equitable development. However, it is worth noting that the conventional dichotomy between rural and urban spaces still dominate the development thinking. More specifically, most development theory and practice is still implicitly or sometimes explicitly based on the dichotomy between rural and urban areas<sup>29</sup>. Likewise, policies tend to reflect this division along spatial and sectoral lines, with town and regional planners usually concentrating on urban nodes and giving scant attention to rural

<sup>&</sup>lt;sup>29</sup> Tacoli, undated

spaces, while rural development planners tend to ignore urban centres and define rural areas as consisting only of villages and their agricultural land.

The analysis of rural urban linkages emphasizes the need for development planners and policy makers to increasingly think of the impact of their development interventions in ways that are more integrated<sup>30</sup>. It emphasizes the importance of analyzing rural and urban economies as a united whole and points to a need to leverage development interventions designed in one area to produce positive development outcomes in another context. Overall, rural-urban linkages highlight the need for more strategies that put into perspective the needs and interests of both rural and urban places.

The relationship between rural and urban areas is increasingly changing throughout the world. Rural and urban areas are no longer mutually exclusive. Farming areas and the megacities coexist along a continuum with multiple types of flows and interactions occurring between the two spaces<sup>31</sup>. Typically, it is now widely recognised that there exist economic, social and environmental interdependences between urban and rural areas<sup>32</sup>. For example, rural areas depend on urban areas for

<sup>&</sup>lt;sup>30</sup> UN-habitat, 2012, Okpala, 2003

<sup>31</sup> von Braun, 2007

<sup>&</sup>lt;sup>32</sup> Okpala, 2003

university education, credit, agriculture-led services such as farm equipment and advice, hospitals and government services. By contrast, urban areas depend on rural areas for water resources, food production, and waste disposal. Urban waste can be used as a source of organic matter or as source of nutrients for agriculture which can help rural farmers to restore degraded soils and turn unproductive land into valuable agricultural land.

Rural communities are responsible for the stewardship of ecosystem services that are essential for human survival and well-being such as clean air and water, flood and drought mitigation, pollution mitigation, bio-diversity, and climate stabilization. Therefore, the management of rural-urban linkages is necessary for the maintenance of environmental resources.

Metropolitan areas provide concentrated markets for rural goods and services. They are the source of non-farm jobs and other economic opportunities for young people offering varied experiences, higher levels of skills, and higher incomes and various specialized services, such as health care, high end retail, as well as legal and financial services<sup>33</sup>. Again, most cities benefit intensively from their proximity to rural areas as they draw heavily on their surrounding rural areas for fresh water resources, dispose their waste on surrounding rural and peri-urban areas. The key question

<sup>33</sup> Dabson et al, 2012

to ask is how can rural-urban linkages be improved to accelerate inclusive growth, expand employment, and improve livelihoods especially for the poor<sup>34</sup>.

It is worth noting that at an administrative level, the physical boundaries of the urban built-up areas often do not coincide with their urban boundaries and therefore do not respect the rural-urban dichotomy. Accordingly, the relationship between urban and rural areas has been changing all over the world due to a number of factors including new settlement patterns which can be linked to economic and social transformations occurring throughout the world. Therefore, rural-urban linkages exist on a continuum of various types which are increasingly interconnected. Likewise, rural and urban areas must be seen as two ends in a spatial continuum<sup>35</sup>. As highlighted in Figure 3-2, this typology is one that better reflects the notion of a continuum from the most rural to the most urban places.

<sup>34</sup> von Braun, 2007

<sup>35</sup> Von Braun, 2007

Metropolis/capital City

Secondary city /Medium size town

Small towns

Rural village

Figure 3-2: Rural-Urban Linkages in Two Ends of the Space Continuum

Source: Adapted from United Nations, 2005

In-between rural and urban areas are peri-urban areas where urban and rural areas are spatially intermingled and interactions are most intense. That is to say, it is also useful to see in the middle of the continuum between rural characteristics and urban characteristics a rural-urban interface in which there are complex mixes of rural and urban characteristics.

Economic growth is not evenly distributed within the rural-urban continuum. Areas surrounding urban centres generally benefit from their proximity to the urban centres but are also more affected by urban air pollution. In fulfilling their important function of providing food for urban consumers, the proximity of some rural

areas to urban areas lowers the costs of transport and storage. Overall, within the rural-urban continuum, rural areas are not homogenous as they differ in their potential and capabilities. Proximity to the town or city matters as rural farmers that are located closer to cities can exploit their proximity to urban markets. Generally, villages that are more closer to urban markets tend to be relatively more developed and exhibit stronger ruralurban linkages. Farms that are closer to metros, tend to be more land intensive in their production, more diverse, and more focused on high-value production. By contrast, villages that are located far from urban markets tend to be less developed and exhibit weaker rural-urban linkages. Again, rural areas that are more linked to urban markets tend to grow commercial crops while those that are not integrated to urban markets tend to grow traditional crops<sup>36</sup>. For more isolated villages, lack of infrastructure exacerbate poor access to urban markets.

In areas such as eThekwini Municipality where rural lands- under the traditional leadership- and urban areas co-exist in one administrative area, rural-urban linkages can enhance service delivery linkages which would improve the quality of life in rural areas. Therefore, the analysis of rural-urban linkages must include the relationship between traditional authorities and municipalities in terms of how the two institutions must work together to ensure inclusive development. The relationship between elected local

<sup>&</sup>lt;sup>36</sup> Pundir and Singh, 2001

government and traditional authorities is especially critical where there are tensions between the statutory rights system of land tenure and the customary system. The tensions may occur as a result of different interests between traditional chiefs who attempt to retain control over land, and elected governments whose responsibilities include the provision of infrastructure for which access to land is essential<sup>37</sup>.

Overall, the analysis of rural-urban linkages focuses on their complexity, inter-dependencies, and dynamics. Indeed, regional food systems offer an interesting insight and a practical way of analyzing rural-urban linkages. For example, rural farmers depend on urban markets to secure their livelihoods. A growing agricultural sector needs technical inputs of fertiliser, seeds of improved varieties which are supposed to be of better quality and yield, veterinary services, sprayers, equipment and repair services either produced or distributed by non-farm enterprises often found in small towns and urban areas. Furthermore, increased agricultural production stimulates forward production linkages by providing raw materials to further value-adding activities like milling, processing, and distribution by non-agricultural firms<sup>38</sup>. Indeed, urban areas are linked to the rural sector through several channels such as supply of raw materials, affordable supply of food, and migration.

<sup>&</sup>lt;sup>37</sup> Bah et al,2003

<sup>3838</sup> Pundir and Singh, 2001

#### 3.1 MIGRATION

Historically, migration has been a central form of interaction between rural and urban areas and a key factor in shaping Africa's settlement patterns and livelihoods<sup>39</sup>. For example in Mali, Nigeria, and Tanzania, between 50 and 80 percent of households have at least one migrant member<sup>40</sup>. In Nigeria, migration is considered essential to achieving economic and social success and young men who do not migrate or commute to town are often labelled as idle and may become the object of ridicule<sup>41</sup>. Therefore, migration helps decompose the neat rural-urban dichotomy<sup>42</sup>. The contribution of migration to livelihoods highlights the link between migration and labour markets.

Prior to 1970s, migration was primarily seasonal and comprised of individual males from agriculturally-based rural families who sought non-agricultural, temporary urban employment to sustain family subsistence<sup>43</sup>. By contrast, today's urban migrants are more demographically diverse and engage in a wider array of urban activities, social networks, and institutional forms of urban community than their earlier counterparts<sup>44</sup>. These changes in migration patterns highlight new ways to theorize about population mobility.

<sup>&</sup>lt;sup>39</sup> Bah et al, 2003

<sup>&</sup>lt;sup>40</sup> Bah et al, 2003

<sup>&</sup>lt;sup>41</sup> Bah et al, 2003

<sup>&</sup>lt;sup>42</sup> Feldman. 1999

<sup>&</sup>lt;sup>43</sup> Feldman, 1999

<sup>44</sup> Feldman, 1999

In the specific case of South Africa, migration needs to be analyzed within a particular framework of economic growth and against the backdrop of the high rate of unemployment and poverty especially in rural areas. For example, South Africa's urban areas account for over 80 percent of the country's gross domestic product<sup>45</sup>. Greater employment opportunities in the cities are a major contributing factor that attracts people from rural areas to larger towns and cities<sup>46</sup>. Typically, urban areas accommodate over 60 percent of South Africa's population<sup>47</sup>.

Seasonal migration has been noted in Asia and Africa. More importantly, it can be welfare enhancing. For example, in Vietnam, seasonal migration resulted in an annual increase of about 5 percent of household expenditure, and 3 percent decrease in the poverty headcount<sup>48</sup>.

<sup>&</sup>lt;sup>45</sup> Mvuyana, 2010

<sup>&</sup>lt;sup>46</sup> Mvuyana, 2010

<sup>&</sup>lt;sup>47</sup> Myuvana, 2010

<sup>&</sup>lt;sup>48</sup> de Brauw and Harigaya, 2007 cited in von Braun, 2007

Remittances are a positive function of migration. As shown in Table 1, they can play varied roles in rural livelihoods.

Table 3-1: Remittance Expenditures in Two Villages in Vietnam

Expenditure	Ngoc Dong Village	Nhat Village
Invest in agricultural	-	23.4
production		
Invest in handicraft	38.1	2.1
production		
Invest in small trade/	4.4	-
business		
Education, healthcare	23.8	14.9
Funerals, weddings,	4.8	12.8
feasts		
Improve and repair	19.0	31.9
house		
Buy land and property	4.8	10.6
Purchase household	23.8	25.5
assets		
Repay debt	19.0	27.7
Daily expenses	52.4	36.2
Savings	9.5	6.4

Source: Thanh et al, 2005

Migration as a livelihood strategy is mediated by access to assets and resources that enable people to migrate. Those who move tend to be young, physically fit and often better educated than average, and have access to urban-based social networks. The elderly and the poorest people do not usually migrate. Again, members of the low-income families and poor are less likely to migrate and when they do, it is usually over a relatively short distance. One of the reasons why some people migrate only to the nearest small town is the desire to remain close to rural support systems<sup>49</sup>. Therefore, migration offers limited opportunities for poor households.

The complexity of migration in terms of direction and duration can be highlighted by the composition of the flows which reflect wider socio-economic dynamics. The age and gender of who moves and who stays can have a significant impact on sources of labour availability, remittances, household organisation, and agricultural production systems<sup>50</sup>.

An important observation is that migrant women tend to send higher remittances to home areas. More importantly, the renegotiation of gender roles resulting from women's migration is not always reflected in an increase in control over their own remittances. Again, women who stay in home areas also tend to

<sup>&</sup>lt;sup>49</sup> Global Monitoring Report, 2013

<sup>&</sup>lt;sup>50</sup> Tacoli, undated

have limited control over remittances sent by male relatives. This partly reflects culturally specific gender relations.

Generally, over time migration may erode village-based networks migrants become part of urban-based networks. remittances tend to decrease<sup>51</sup>. However, local and regional contexts make these generalisations less reliable. For example in Kenya, low-income urban dwellers lacked commitment to town as they were in town for the money they earned and planned to leave town upon retiring<sup>52</sup>. Again in Botswana, migrants continued to regard themselves as part of their original household in the rural areas. They make frequent visits to their home place, feel some obligation to extend financial assistance to those left behind and plan to eventually return permanently<sup>53</sup>. Likewise, despite rising migration, some Chinese rural residents are still tied closely to their home village<sup>54</sup>. For example, Chinese migrants often plan to spend a specific amount of time away from home before returning to the village<sup>55</sup>. Generally, such migrants often have little attachment to the places where they find work and tend to return home several times in a year.

<sup>&</sup>lt;sup>51</sup> Fall, 1998 cited in Tacoli, undated

<sup>&</sup>lt;sup>52</sup> Andreasen, 1990 cited in Lesetedi, 2003

<sup>53</sup> Lesetedi, 2003

<sup>54</sup> Taylor and Sscott, 2003

<sup>55</sup> Taylor and Scott, 2003

Land accessibility in the rural areas keep urban dwellers linked to rural areas. The maintenance of close ties with home communities has been strengthened by modern communication in the form of transport, postal, and telephone links.

This analysis shows that urban migrants in Africa and Asia live in a dual system that is characterised by one family but two households<sup>56</sup>. In many cases, it is more useful to understand households as multi-spatial rather than 'rural' or 'urban'. The strong commitments and obligations between rural-based and urban-based individuals and units show that in many instances these are 'multi-spatial households' in which reciprocal support is given across space<sup>57</sup>. Therefore, migration has divided families into two geographically separated but mutually supportive households, one in an urban area and the other in a rural area<sup>58</sup>. Maintaining both rural and urban base provides a safety net especially for low-income city dwellers particularly in times of economic hardships. However, housing and rural development programmes do not acknowledge these multi-spatial and extended households. For example, housing subsidy funds can only be used in one location.

Internal migration is often seen as essentially rural to urban and contributing to uncontrolled growth and related urban

<sup>&</sup>lt;sup>56</sup> Household membership is usually defined as sharing in the same pot or living under the same roof

<sup>&</sup>lt;sup>57</sup> Tacoli, undated

<sup>58</sup> Oucho, 1996 cited in Lesetedi, 2003

management problems<sup>59</sup>. That is to say, there is a belief that rapid urban growth Africa is due mainly to migration and thus its accompanying economic and planning problems<sup>60</sup>. Despite this widely held belief that flows are always rural to urban, migration from the urban to the rural areas is increasing<sup>61</sup>. Some people move from urban to rural areas as they are looking for a way of life and sense of community they associate with rural areas. This form of migration is in part a reflection of the positive perception of rural areas. Again, this form of migration is sometimes associated with economic decline and increasing urban poverty. In South Africa, significant numbers of retrenched miners return to their rural homes where the cost of living is lower compared to urban areas. Furthermore, seasonal waged agricultural work in commercial farms also provides temporary employment for low-income urban groups. Temporary and seasonal movement such as this is often not reflected in census figures and can make static enumerations of rural and urban populations less reliable<sup>62</sup>.

Rural migration is not always restricted to large urban centres. For example, in Philippines migration to smaller towns is common as they offer urban-like opportunities in education and employment<sup>63</sup>. Again, secondary cities or secondary urban centres in Latin America have recently attracted new investment

<sup>&</sup>lt;sup>59</sup> Tacoli, undated

<sup>&</sup>lt;sup>60</sup> Potts, 2008

<sup>&</sup>lt;sup>61</sup> Tacoli, undated

<sup>&</sup>lt;sup>62</sup> Tacoli, undated

<sup>63</sup> von Braun, 2007

and industries which would have previously been directed to large cities. As a consequence, they have also increased their role as migration destinations<sup>64</sup>.

Overall, migration is an important element of livelihood strategies. However, rural-urban migration can only contribute to poverty reduction if the rural-urban migrants encounter an urban environment that is conducive to their social and economic improvement and allow them to grasp the new opportunities<sup>65</sup>.

## 3.2 SMALL TOWNS AS ENTRY POINTS FOR POLICY INTERVENTIONS AND INVESTMENT

Rural development cannot be associated only with the development of village economies. Accordingly, this section attaches greater importance to small towns in terms of their economic and social roles in development and as entry points for policy, investment and enterprise development. Emphasis is given to the interactions between small towns, the rural villages and the wider regional as well as urban economies. Likewise, the strategic importance of small towns in local development is emphasized and so is the need to maximize the positive impact of rural-urban linkages. However, the potential ability of small towns to positively

<sup>&</sup>lt;sup>64</sup> Tacoli, undated

<sup>65</sup> Sheng, undated

shape the production, employment, and marketing opportunities available within the local economy and thus act as catalysts for local economic development is intimately linked to the quality of available infrastructure and the local enterprise sector<sup>66</sup>. Overall, this section highlights the nature of linkages between small towns and their surrounding rural areas.

Secondary cities and small towns are more likely to have close links with the rural areas and therefore can play an important role in reducing rural poverty. Indeed, higher incidences of poverty also tend to occur in the smaller urban settlements. Logically, this situation highlights the significance of small town development in promoting rural economic growth since they are located closer to rural spaces.

Generally, rural households depend on small towns for various services such as improved healthcare, banks, and government offices for the provision of both private and public goods. Much economic activity in small and medium-sized towns is closely interrelated to the surrounding village economies through consumption, production, employment, and financial linkages<sup>67</sup>. Therefore, small towns including medium-sized towns are an integral part of the rural local economic landscape. When rural development frameworks focus only on village-level issues and

<sup>66</sup> Wandschneider, 2004

<sup>67</sup> Wandschneider, 2004

neglect small towns in rural development they can undermine the development potential of small towns in rural economies.

Small towns provide larger markets than those available in rural villages for both agricultural and non-farm goods. The need for approaches to poverty reduction that cover both large and small urban areas on the one hand, and rural areas on the other hand has increasingly gained urgency in the face of increasing disparities in the levels of incomes, economic opportunities, and quality of life between these areas. Poverty reduction in rural and urban areas requires integrated approaches which provide rural populations with access to urban opportunities such as urban markets for rural products.

While rural areas are glaringly more agricultural in their outlook, there is limited agro-processing at town level. This can be explained by low levels of good quality produce, relatively low levels of local demand, difficulties in accessing distant markets and competition from outside sources of supply<sup>68</sup>.

Emphasis is often given to the role of small towns in enabling the generation of non-farm employment and increased income opportunities. More importantly, it has been observed that on average, returns to labour are higher in the non-farm activities

<sup>&</sup>lt;sup>68</sup> Wandschneider, 2003

than in agriculture, and incidents of poverty are lower among households with access to non-farm employment than households which are wholly dependent on agriculture<sup>69</sup>. Again, the increased importance of the non-farm rural employment has increasingly been gaining importance for several reasons including environmental degradation, population growth and land subdivisions which make it difficult for large numbers of farmers to rely solely on agriculture. However, access to non-farm rural employment is sometimes mediated by formal and informal networks which may be based on cultural, political, religious, ethnic, and gender affiliations. These forms of affiliations can enhance or constrain some groups' access to non-farm employment opportunities and occupational diversification<sup>70</sup>.

The scale and scope of non-farm employment nature, are influenced by local contexts. opportunities density, sectoral and spatial patterns population industrialization, access to affordable transport and demand for services determine the nature and scale of opportunities. Therefore, a better understanding of the scale and nature of ruralurban linkages is essential in order to locate rural livelihoods and the rural economy within the wider regional context. Since increases in rural households income and expenditure are the springboard for the expansion of many urban-based enterprises,

<sup>&</sup>lt;sup>69</sup> Global Monitoring Report, 2013

<sup>&</sup>lt;sup>70</sup> Tacoli, undated

balanced rural-urban regional development requires equal distribution of benefits.

Small towns offer better access to improved social and physical infrastructure and more productive opportunities than rural villages. Likewise, small towns enable rural inhabitants to participate and draw their livelihoods from labour markets. Indeed, the potential for more employment opportunities and increased incomes is higher in small towns than in isolated rural villages due to the diversity of non-farm economic activities that occur in small towns. This is particularly important for those who-like youth and women- tend to lack access to natural capital such as land as a form of livelihood.

It is worth noting that small towns offer better opportunities for improved value chain economies. Value chain economies refer to a sequence of activities and processes required to bring a product or service from conception to final use, where at each stage value is added as tools, labour, knowledge, and skills are applied<sup>71</sup>. Therefore, small towns can be instrumental in stimulating and sustaining expansion of economic activities and incomes in rural areas<sup>72</sup>. However, when they act mainly as distribution points for imported goods, they may expose local producers to outside competition.

<sup>&</sup>lt;sup>71</sup> Dabson et al. 2012

<sup>72</sup> Wandschneider, 2003

The location of small towns offers an appropriate entry point for public investment and policy interventions that are targeted at rural areas<sup>73</sup>. However, the ability of small towns to attract investments and other economic activities is partly a function of their size. For example, enterprises in larger towns and cities often enjoy better access to skills, technology, transport infrastructure and services, public utilities, repair services, and other support services<sup>74</sup>.

The methods of selecting key towns for investment must be made clear and must also consider both the attributes of the towns as well as the potential of rural areas for development. Specific attention must be paid to the differentiated capabilities of small towns and their role in rural-urban development, and in enhancing diversification of economic activities.

By contrast, the model of selecting small towns for development is often based on generalisations which often do not account for the rich variety of roles of urban centres which are determined by both the rural and the wider regional context. Often, the underlying conceptual problem is the assumption that it is the absence of central places that constrain rural development rather than factors such as ecological capacity, land owning structures,

<sup>73</sup> Wandschneider, 2003

<sup>&</sup>lt;sup>74</sup> Wandschneider, 2003

crop types and control on prices, availability of infrastructure or access to markets all of which in turn are shaped by rural-urban interactions within specific regional contexts<sup>75</sup>.

#### Box 3-2: Rural-Urban Linkages in Regional Context

Positive links in rural and urban development in the Upper Valley of the Rio Negro and Nequen in Argentina show how rapid growth in agricultural production can be accompanied by rapid growth in employment linked to agriculture and urban growth. The Upper Valley is linked by railway to Buenos Aires, giving local farmers access to both national and international markets. In the 1950s, the area acquired provincial status which increased the power and resources available to the local government. The land owning structure is relatively equitable and most of the land is farmed by farmer-owners with sufficient capital to invest in intensive production, mainly fruit trees. The growing number of prosperous farmers has provided a considerable stimulus to local urban growth, with a chain of small centres developing along the railway. Urban-based enterprises were stimulated by demand from agricultural producers both as forward linkages in the form of cold storage plants, industries producing packaging material, plants for the processing fruits into jams, dried or tinned fruit, and backward linkages such as production of inputs such as fertilisers and pesticides or tools and machinery<sup>76</sup>.

Source: Adapted from Manzanal and Vapnarsky, 1986 cited in Tacoli, undated

<sup>&</sup>lt;sup>75</sup> Tacoli, undated

<sup>&</sup>lt;sup>76</sup> Manzanal and Vapnarsky, 1986 cited in Tacoli, undated

It is generally recognised that rural development is to large extent dependent on improving the linkages with the urban economy. However, spatial proximity to markets does not necessarily improve farmers' access to the inputs and services required to increase agricultural productivity. Access to land, capital and labour may be more important in determining the extent to which farmers are able to benefit from markets. For example, in Paraguay, despite their proximity to the capital city, smallholders' production is hardly stimulated by urban markets as their incomes do not allow investment in cash crops or in production intensification to compensate for the lack of land<sup>77</sup>.

Markets are also social institutions in which some actors are able to enforce mechanisms of control which favour access for specific groups and exclude others. For example, grain markets in South Asia tend to be dominated by large local merchants who control access to the means of distribution such as transport, sites, capital, credit and information<sup>78</sup>. Even in petty retailing sector, gender barriers can be a particular constraint.

In general, rural households earn higher incomes from production of agricultural goods for non-local markets, and increase their demand for consumer goods; this leads to the creation of nonfarm jobs and employment diversification, especially in small

<sup>&</sup>lt;sup>77</sup> Zoomers and Kleinpenning, 1996 cited in Tacoli, undated

<sup>&</sup>lt;sup>78</sup> Tacoli, undated

towns that are closer to agricultural production areas; which in turn absorbs rural labour, raises demand for agricultural produce and again boosts agricultural productivity and rural incomes<sup>79</sup>.

The view that the urban economy plays a parasitic or extractive role, based on unequal exchanges with rural areas supported by policies biased towards large urban centres, has been influential in development thinking<sup>80</sup>. However, the recognition interdependence between rural and urban areas and the contribution rural-urban linkages have made to development have made it necessary to take another look at rural-urban linkages and to examine the contribution they can make to the development challenges facing governments especially poverty reduction. This requires the examination of the impact of ruralurban linkages on livelihoods and transformations in regional contexts rather than merely describing them.

## 4. BEYOND RURAL-URBAN DIVIDE: IMPLICATIONS FOR RURAL DEVELOPMENT POLICY

Rural development policy remains a vital cornerstone of national economic policy. That is to say, rural development policy reflects a priority that is attached to rural development. Figure 4-1 and

<sup>&</sup>lt;sup>79</sup> Evans, 1990 cited in Tacoli, undated

<sup>80</sup> Lipton, 1977 cited in Wandschneider, 2004

Figure 4-2 show that the majority of the poor live in rural areas. More particularly, three quarters of the poor live in rural areas where disparities in education, health, access to clean water, and sanitation are still glaringly visible<sup>81</sup>.

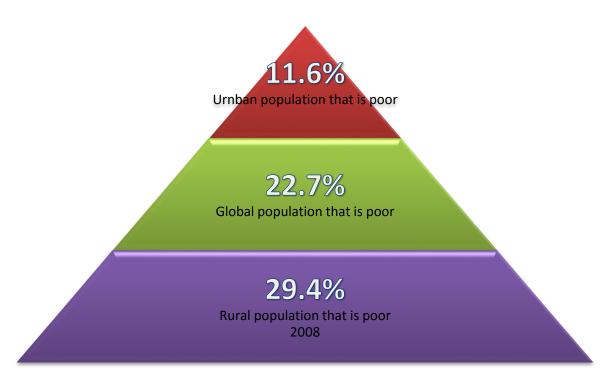


Figure 4-1: The Percentage of the Urban and Rural Poor

Source: Global Monitoring Report, 2013

<sup>81</sup> Global Monitoring Report, 2013

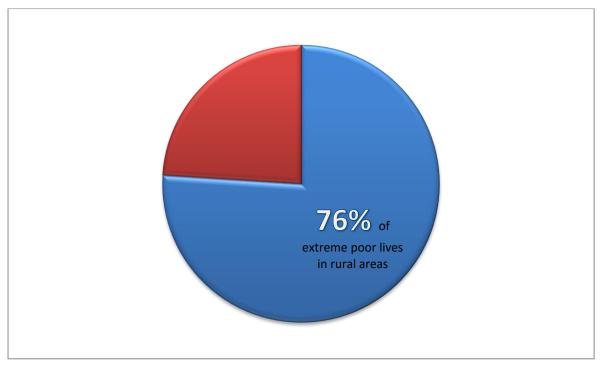


Figure 4-2: The Percentage of the Extreme Poor

Source: Global Monitoring Report, 2013

These observations show that there is a need for greater efforts to improve the livelihoods of the rural people. Indeed, strengthening rural-urban linkages is often motivated by the need for more balanced territorial development and to improve living conditions of people in both rural and urban areas. Likewise, the coexistence of rural and urban spaces creates new opportunities for economic development such as tourism. Typically, the national government can identify and prioritize which linkages can be eligible for support.

The future of rural economies is heavily dependent on rural development policy that provides policy framework which can stimulate diverse economic and social activities, articulate policy levers that can improve the contribution of rural economies-especially the small towns- to national value chains; create entrepreneurial opportunities which can mutually benefit both rural and urban inhabitants.

Rural-urban linkages point to a need for the two policy frameworks (Rural Development Policy and Integrated Urban Development Framework) to connect with each other in ways that enhance inclusive development. Indeed, our understanding of the dynamics of poverty in the rapidly urbanizing South Africa can be better understood in the interplay between the rural and urban spaces. A better understanding of the rural-urban interface is critical to the formulation of national poverty reduction strategies especially in South Africa where both rapid urbanization and rural-urban disparities co-exist. Finally, the positive impact of rural-urban linkages on rural livelihoods can be greatest where rural and urban development frameworks are mutually dependent and integrated.

It is worth noting that historically, ideas about rural development have changed considerably and there has been a parallel shift in the perception of the rural poor in government programmes<sup>82</sup>. Initially, policies dealing with rural development had a narrow focus on the agro-economic aspects of development and assumed that the mere creation of more and better economic opportunities would help small farmers and the landless to improve the social and economic conditions of the rural population<sup>83</sup>. What was lacking was an approach that emphasized the integration of the social, economic and political aspects of development.

Since 1970s, comprehensive rural-urban development frameworks have been formulated as an explicit attempt to promote rural development and with the implicit aim of curbing migration to large cities. Again, integrated rural development has contributed the view of rural development as holistic and multifaceted, including non-farm as well as agricultural activities. However, it has rarely included explicit urban components, and whenever a spatial dimension is included it is usually limited to marketing functions<sup>84</sup>.

In recent years, the rural poor have increasingly emerged and seen as important stakeholders who are capable of finding solutions to their own problems with limited external support. The

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<sup>82</sup> Sheng, undated

<sup>83</sup> Sheng, undated

<sup>84</sup> Tacoli, undated

key characteristic of this approach to rural development is its people-centredness, participation, and comprehensiveness<sup>85</sup>.

The increasingly changing situation in South Africa and elsewhere point to the need to recognise the existence of rural-urban linkages within the emerging policy contexts. In this situation, the analysis of rural-urban linkages highlight that problems of urban and rural spaces tend to be bound up with one another and cannot be considered in isolation from each other. Accordingly, the solution to the poverty problem in rural areas cannot be found in the rural economy alone. Indeed, poverty, unemployment, inequality, and environmental challenges are national problems that require both rural and urban places to deal with them collectively.

As rural areas are no longer synonymous with well-being of agriculture, new strategies are needed to ensure that rural areas achieve their full economic and social potential. The growing interdependence of urban and rural areas reduces the significance of the rural-urban distinction. Therefore, there is a need to recognize the role that urban areas can play in fostering rural development. Indeed, poverty is a glaring rural-urban linkage. Likewise, economic growth is another rural-urban linkage because what happens in one space affects another<sup>86</sup>. However,

<sup>85</sup> Sheng, undated

<sup>&</sup>lt;sup>86</sup> Global Monitoring Report, 2013

rural growth cannot occur without access to urban markets and vibrant non-farm sector<sup>87</sup>. Therefore, a more close integration of rural and urban areas can contribute to the narrowing of rural-urban disparities.

## 5. TOWARDS POLICIES THAT SUSTAIN RURAL-URBAN LINKAGES

There are compelling reasons why rural-urban divide must be eliminated. It is a source of inequality, and a potential source of both social and political instability as well as a vital indicator of economic inefficiency. Focusing on linkages between rural and urban areas help reframe our understanding of how development occurs in these areas. It helps us frame our terminology in ways that do not reinforce separateness, stereotypes, and mislead policy development and analysis.

The key objective in this section is to highlight public policies and planning processes that can help achieve more socially desirable linkages. Typically, this discourse analysis reveals four broad policies that can improve the interdependence between rural and urban spaces. The implementation of these policies will require inter-agency and inter-department co-ordination:

- Local government
- Agriculture, and innovation
- Infrastructure development

<sup>&</sup>lt;sup>87</sup> Global Monitoring Report, 2013

Small towns and local economic development

## **5.1 LOCAL GOVERNMENT**

Local government can play an important role in facilitating positive interactions between rural inhabitants and urban markets thereby make markets increasingly work for the poor and spatially marginalized people in the urban-rural continuum. More specifically, local governments play an important role in promoting local economic development as part of their efforts to enhance inclusive development and social inclusion. Therefore, local governments are best placed to support integrated development. Wider alliances between formal and informal organizations; local governments and metros and cities; and institutions that produce knowledge and transfer technology can improve the performance of local governments in this regard.

It is important to identify successful practices that promote rural and urban development and reduce poverty using rural-urban linkages and to build capacity of local governments to review and adapt such practices<sup>88</sup>. Indeed, local governments can increasingly connect good practices to policy development. More importantly, the relationship between elected local government and traditional authorities is critically important where there are tensions between the statutory rights system of land tenure and the customary system. This conflict on the one hand, is

<sup>88</sup> United nations, 2005

the result of interest of traditional chiefs who often attempt to retain control over lands including sale of private land under customary rule. On the other hand are elected governments whose responsibilities include the provision of infrastructure such as roads and sanitation for which access to land is essential.

## 5.2 AGRICULTURE, AND INNOVATION

Agriculture remains critical lever to strategies that are aimed at rural development. However, while rural areas are glaringly more agriculture in their outlook, there is limited agro-processing.

An increase in irrigated land can increase both agricultural production and transform subsistence agriculture to cash based and more market-oriented agricultural economy. Like the Indian experience has shown, irrigation and commercialisation can transform cropping patterns and enhance greater specialisation<sup>89</sup>. This major transformation can enable economic base of the locality or region to move away from subsistence farming towards a form of agriculture that is intensive and high value. Small-holder farmers may find new production opportunities and transform to new patterns of production particularly high value produce. As village inhabitants grow commercial crops, they will increasingly consider farming as a business.

<sup>89</sup> Pundir and Singh, 2001

Science, technology and innovation are vital policies that can enhance positive outcomes in rural-urban linkages. It needs to be noted that public research and extension had been projected as sole sources of innovation that could trigger development in the agricultural sector. Investments in science and technology may increase knowledge but may not necessarily spur innovation culture in the whole system. Farmer innovation needs to be included in agricultural knowledge systems. Therefore, a more holistic and comprehensive framework will enable the analysis of the innovation process, the roles of science and technology, and emphasize wider stakeholder participation, linkages and the institutional context within which innovation occurs.

## 5.3 SMALL TOWNS AND LOCAL ECONOMIC DEVELOPMENT

Interactions with small towns constitutes an important aspect of village-level livelihoods and enable rural households to meet their economic, social, political needs which cannot be met by their local villages. For example, the inadequate provision of healthcare services at the village level explains the high level of dependency on local towns for accessing these services<sup>90</sup>. Again, the visits to local towns by the villagers to sell their surplus production highlights the limited marketing opportunities at the village level<sup>91</sup>. Indeed, secondary cities and small towns have

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<sup>90</sup> Wandschneider, 2004

<sup>91</sup> Wandschneider, 2004

close and stronger linkages with rural areas<sup>92</sup>. Therefore, they can play an important role in poverty reduction.

There is a need to develop capabilities of small towns to play an increased role in poverty reduction and rural development. That is to say, there is a need to strengthen the production structure of small towns in order for them to play an increased role in local economic development. The potential ability of small towns to positively shape the production, employment, and marketing opportunities available within the local economy and thus act as catalysts for local economic development is intimately linked to the quality of available infrastructure and the local enterprise sector<sup>93</sup>. Overall, if the interactions are well managed, small towns and rural areas are the bases for regional development which can be economically, socially, and environmentally sustainable. This will require more investments in infrastructure and services for both the growing urban population and the population in the surrounding rural areas<sup>94</sup>.

## 5.3.1 Enterprise Development and Informal Sector

Livelihoods are not static. Likewise, as rural economies evolve their economic base away from agriculture (partly due to the limited capacity of agriculture to generate jobs and reduce poverty and

<sup>92</sup> Sheng, undated

<sup>93</sup> Wandschneider, 2004

<sup>94</sup> Sheng, undated

inequality) into manufacturing and services, the importance of promoting the non-farm sector becomes more important<sup>95</sup>. In particular small and medium enterprises including the informal sector can be promoted as part of local economic development.

Enterprise development can be used as an engine of local economic growth. However, their success requires a better understanding of the different ways in which rural-urban linkages involve opportunities. That is to say, a more useful approach to enterprise development would be to place greater emphasis on products and services that sell to outside markets and enjoy favourable growth prospects, add value to locally available raw materials, generate significant employment<sup>96</sup>.

The targeting of economic sub-sectors rather than individual enterprises can yield higher returns as it will benefit a large number of enterprises facing similar constraints and opportunities. The nature and form of intervention will depend on the local and regional contexts.

The adoption of innovation systems as an approach to local economic development can yield interesting insights for rural-urban linkages. The focus of innovation systems on how producers,

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<sup>95</sup> Thanh et al. 2005

<sup>96</sup> Wandschneider, 2003

processors, distributors, markets, and consumers are connected within a region and beyond is particularly important. As Box 5-1 shows, innovation offers a particular scope for rural-urban linkages.

# Box 5-1: Innovation as a Source of Rural-Urban and Global Linkages

Rural areas offer a bigger scope for innovation where bio-based products can be grown and manufactured. First, rural landowners can participate in wind energy value chain. Second, the growing and processing of corn into starch is another example. Third, the ability to transform a renewable crop such as corn into a value-added plastic resin that can be used to make low carbon footprint or biodegradable products would seem to be a potential game changer. Bio-plastics are not only price competitive with petroleum-based products but also offer a high degree of price stability. The bio-based products can present both rural-urban linkages as well as rural-global linkages.

Source: Adapted from Dabson et al, 2012

## **5.4 INFRASTRUCTURE**

The role of infrastructure in rural-urban linkages remains critically important. Infrastructure works as a bridge between rural and urban worlds and between agricultural sectors and other sectors

of the economy<sup>97</sup>. Again, the significant importance of infrastructure is its role integrating rural economies to national markets or trade networks.

Government investments in infrastructure such as electricity and roads contribute to socio-economic development. In particular, roads infrastructure enhance access to urban markets as well as health and educational facilities which have significant impact on socio-economic development.

Road infrastructure can enable rural commuters to access employment in town. That is to say, a more important role for infrastructure will be in enabling access to local urban centres which can provide employment to their surrounding rural areas. This form of movement remains a vital livelihood strategy for the poor who may be too poor to migrate over long distances. Furthermore, road infrastructure can enable local farmers to link up with food processing industries. Typically, these linkages can transform cropping patterns towards cash crops and emergence of new associated activities.

Good infrastructure ensures smooth flow of inputs and outputs, facilitate access to markets and strengthen the foundations of agriculture. Overall, infrastructural facilities such as roads enhance

<sup>&</sup>lt;sup>97</sup> Von Braun, 2007

both economic development and foster stronger urban-rural linkages. By contrast, weak infrastructural facilities affect access to health and education facilities and hamper economic development and lead to weaker rural-urban linkages.

## 6. CONCLUSION

This analysis of rural-urban linkages highlights a clear departure from the existing debate of rural-urban divide and seeks to enhance the generation of more inclusive development policies for both rural and urban inhabitants. Despite different economic activities that occur within the rural-urban continuum and varied policy instruments that are required to enhance the contribution of rural-urban linkages in enhancing inclusive development, their success is linked to access to markets and proximity to urban centres. Likewise, a better understanding of rural-urban linkages matters as it provides the basis for greater understanding of the social and economic linkages between rural and urban areas as well as policy measures that can improve the well-being of both urban and rural inhabitants.

The positive impact of rural-urban linkages on rural livelihoods can be greatest where rural and urban development are mutually dependent and integrated. However, rural-urban linkages should not be assumed to be beneficial in all circumstances. In some

cases, they can increase inequality and the vulnerability of those groups with least assets and especially where land ownership is highly unequal.

Rural-urban linkages play an important role in the analysis of the ways in which livelihoods are constructed. However, the traditional dichotomy between 'rural' and 'urban' development theory and practice has underplayed their significance. Again, agricultural production is assumed to benefit from proximity to urban markets. However, the degree to which households can take advantage of this proximity depends on their physical, human and financial resources and access to market.

Overall, viewing urban development as completely distinct from rural development is no longer valid and vice versa. Urban-rural linkages highlight that development planners and policy makers must increasingly think of the impact of their development interventions in ways that are more integrated and emphasize the importance of analyzing rural and urban economies as a united whole.

The characterisation of rural-urban development as a dualistic relationship devoid of interdependencies and synergies between the two spaces is generally a relic of the past. Rural and urban livelihoods rely on both rural-based and urban-based resources

albeit at different levels. Indeed, there is a need for policies that recognize these linkages as well as how rural and urban poverty are interlinked. Such policies can improve the way in which we deal with processes of impoverishment and the way in which we frame our responses to address them.

Overall, the distinction between rural and urban areas is becoming increasingly integrated as a result of better transport and communications, migration, urban activities in rural areas and vice versa. Therefore, the division of spaces into rural and urban areas creates an imbalance and difficulty in developing solutions that benefit the whole space thereby furthering the notion of rural-urban divide. Rather than treat rural and urban as different and competing development spaces, there is a need to treat them as a whole.

Finally, an improved understanding of rural-urban linkages matters as it provides the basis for measures that can improve both urban and rural environments as well as livelihoods that occur in both rural and urban areas. Indeed, there are benefits that can be gained in taking the rural-urban approach to policy development as the future of rural economies is heavily dependent on focusing on the interdependencies and commonalities rather than on differences. Likewise, our common (rural and urban)success depends on our ability to make constructive use of these

interdependencies and on encouraging rural-urban linkages that bridge the divides across economic geography.

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