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Learn from Brics in dealing with migration to the cities

06 Dec 2012 | Ivan Turok

South Africa can learn useful lessons about the relationship between growth, poverty reduction and urbanisation from the other Brics nations, writes Ivan Turok

SA CAN learn useful lessons about the relationship between growth, poverty reduction and urbanisation from the other Brics nations. The economies of China, India, Brazil and Russia accounted for almost half of growth in world output between 2000 and 2010. The role of urbanisation in the economic transformation of these countries has not been widely appreciated — but now a set of reports have been published that compares urban growth in each nation.

The timing is apposite, with Census 2011 revealing far stronger growth of SA's cities than expected. Gauteng's population increased by 31% between 2001 and last year, while the number of households (and hence the demand for housing and services) rose by 43%. In Johannesburg and Tshwane, the number of households almost doubled.

People in towns and rural areas have been moving to the cities in response to a widening gap in economic and social opportunities. This "urban transition" is mostly informal, because migrants cannot afford decent living conditions. People end up in shacks on unauthorised and hazardous sites on the periphery. The census found that nearly one in three urban households now live in informal settlements or backyard shacks. The average residence period in these areas has risen from about three years in the early 1990s to 10 years at present.

Urbanisation places severe strains on metropolitan municipalities and intense social stresses on overcrowded settlements. These are also the destinations for international migration flows and are vulnerable to xenophobia. All three spheres of government have been slow to respond to these migration patterns and poverty traps.

The government has been facing a dilemma: should it try to push back the tide of migration by making it more difficult for people to access land and services? Some sections of society would prefer to keep the poor out of cities in order to sanitise living and working environments, protect property values and create better tourist destinations.

Alternatively, should the government accept, accommodate and actively plan for urbanisation on the basis that it is inevitable and probably desirable? There may be opportunities to be seized from the process — both to reduce poverty and to stimulate growth and development.

The experience of the other Brics countries is useful in highlighting the role of the government in managing the urban transition. These nations have faced difficulties as they have urbanised, especially when they have tried to hold back the process, or when they have inadvertently steered people or firms to unsuitable economic locations.

The comparison also provides many positive examples of how to harness the potential of urbanisation to lift people out of poverty by strengthening national economies through concentrated activity and efficient infrastructure. Countries that plan and manage urban growth well can generate all-round benefits for productivity and social inclusion.

The character that urbanisation takes also has a major effect on the use of energy, water, natural ecosystems and other environmental resources, so it makes sense to steer the form of urban development onto a more compact and sustainable path.

China demonstrates the benefits of taking urbanisation seriously in national development strategies. Its radical shift from anti-urban policies during the Cultural Revolution to the aggressive pursuit of urban growth in selected coastal locations, has had a dramatic effect on economic progress. More than 400-million people have escaped poverty over the past 20 years. Municipalities were given powerful incentives to provide land and infrastructure,

which they used to attract vast domestic and foreign investment in production and construction. A large labour supply replenished by a steady stream of internal migration has fuelled the process.

China's urban growth coalitions have been slower to take into account the environmental damage caused by unrestrained development. About a third of urban dwellers also lack permanent residence rights in the cities, which excludes them from access to schools, clinics and other amenities.

Brazil tried in vain for several decades to resist urbanisation. Failure to prepare for migration gave rise to the infamous favelas. Urban inequalities and environmental hazards persist for these communities, despite sustained economic growth. Since the 1990s, urban policy has been central to the country's efforts to boost participatory democracy and tackle entrenched social divisions. Brazil's cities have pioneered social innovations that improve the security and assets of poor households by giving them legal rights to the land they occupy. A new approach to upgrading the favelas is also raising living standards, education and health.

Russia shows the dangers of forcing economic activity and population into unfavourable locations for narrow political purposes. The demise of the Soviet Union left behind badly situated cities that struggle to compete in the global economy. Half are based on a single industry or employer and are battling to diversify.

Russia's government faces tough decisions whether to accept the decline of these places and to support people migrating elsewhere. This would enable investment to be redirected towards relieving the pressures of congestion caused by Moscow's economic dynamism. The alternative is a costly and uncertain exercise of trying to restructure and modernise the industries and infrastructure of the lagging peripheral cities.

India has not yet come to terms with its urbanisation. It lacks a coherent approach to managing the growing rural labour force that cannot be absorbed into agriculture. Strategic indecision threatens India's economic success, particularly for poor households that battle to gain a foothold in the cities.

India's urbanisation is sluggish and informal because public services are skewed towards middle-and upper-income groups. The large cities have benefited from recent government spending on economic and social infrastructure. However, urban elites make no provision for an influx of low-income migrants, because they see them as a threat to local security and hygiene.

Alienating millions of people by continuing to restrict long-established channels of social mobility risks instability and unrest. More inclusive urban policies could help to alleviate rural poverty by accommodating migrants in thriving cities.

A basic lesson for SA is that urbanisation can promote prosperity if poor households can be integrated into our cities more efficiently and equitably. Planning ahead and finding suitable locations is more effective than reacting after the event to proliferating shacks in the wrong places. Belated programmes to rearrange and upgrade informal settlements are more complicated, disruptive and costly than a proactive approach.

Government funding for municipalities needs to be aligned more closely with shifts in population and not lag years behind. Increased investment in underused "brownfield" urban land, infrastructure and services could help to unlock economic opportunities and improve the life chances of migrants.

More functional urban housing markets that recognise variable affordability would enable people to progress into better homes as their circumstances improve. Urban policy should go beyond land and housing — to build stronger communities and genuinely sustainable human settlements.

• *Turok is deputy executive director of the Human Sciences Research Council.*

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