
Urbanisation and development: What's the link?

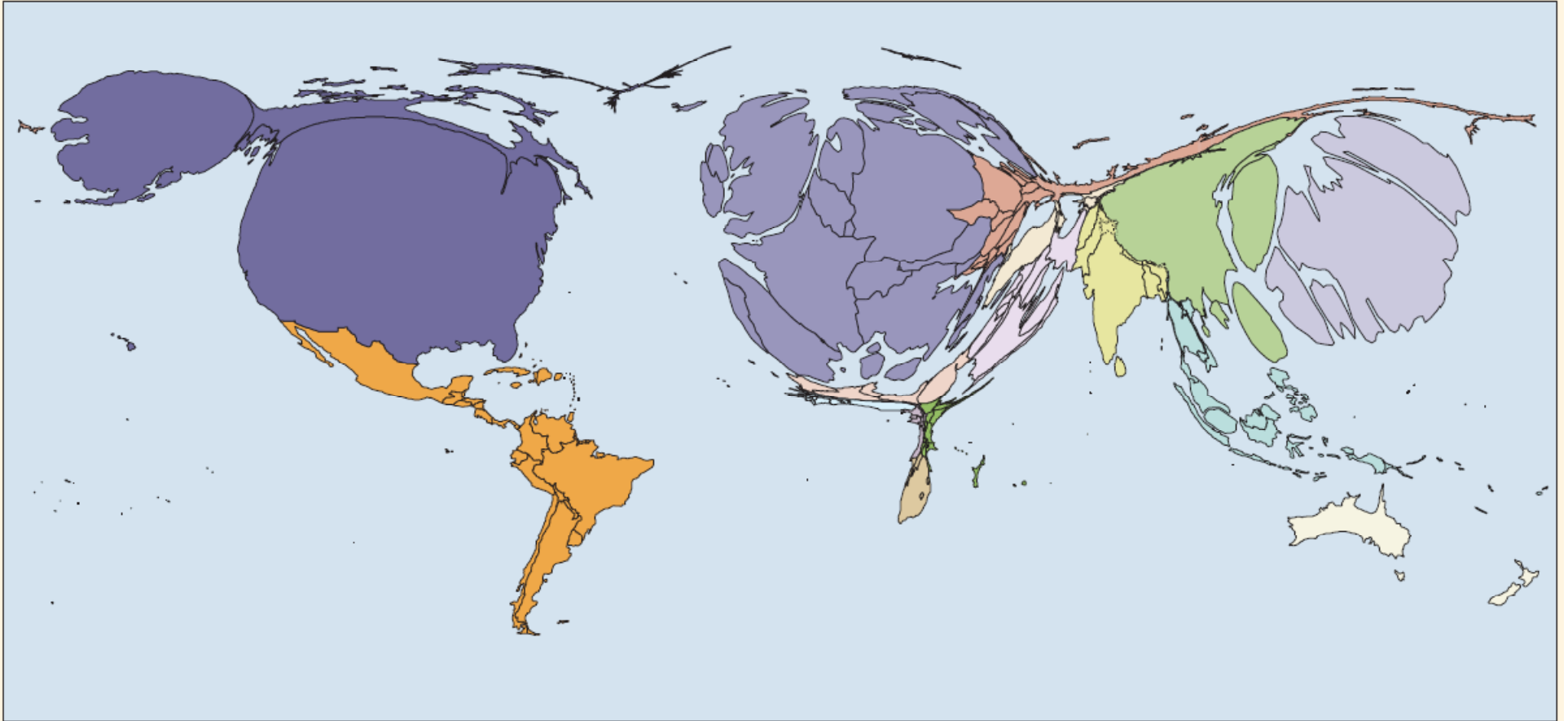
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Outline

- Context
 - Contrasting perspectives
 - Explore positive in more detail
 - Case study of South Africa
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Weak African economies (2005 GDP)



Source: World Bank, 2009

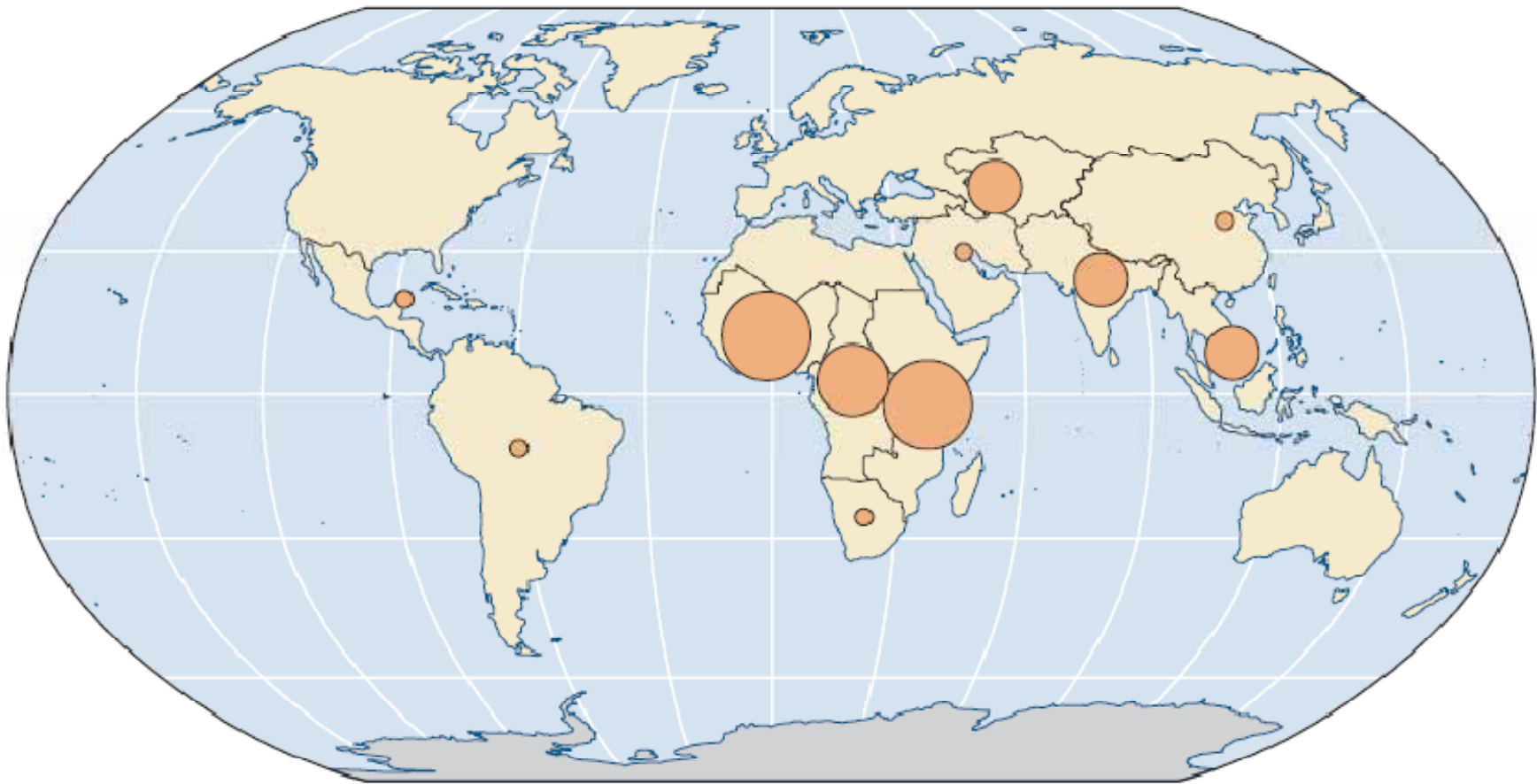
Richard Florida's Global Mega-Regions



Figure 1: Global distribution of economic activity (LRP)

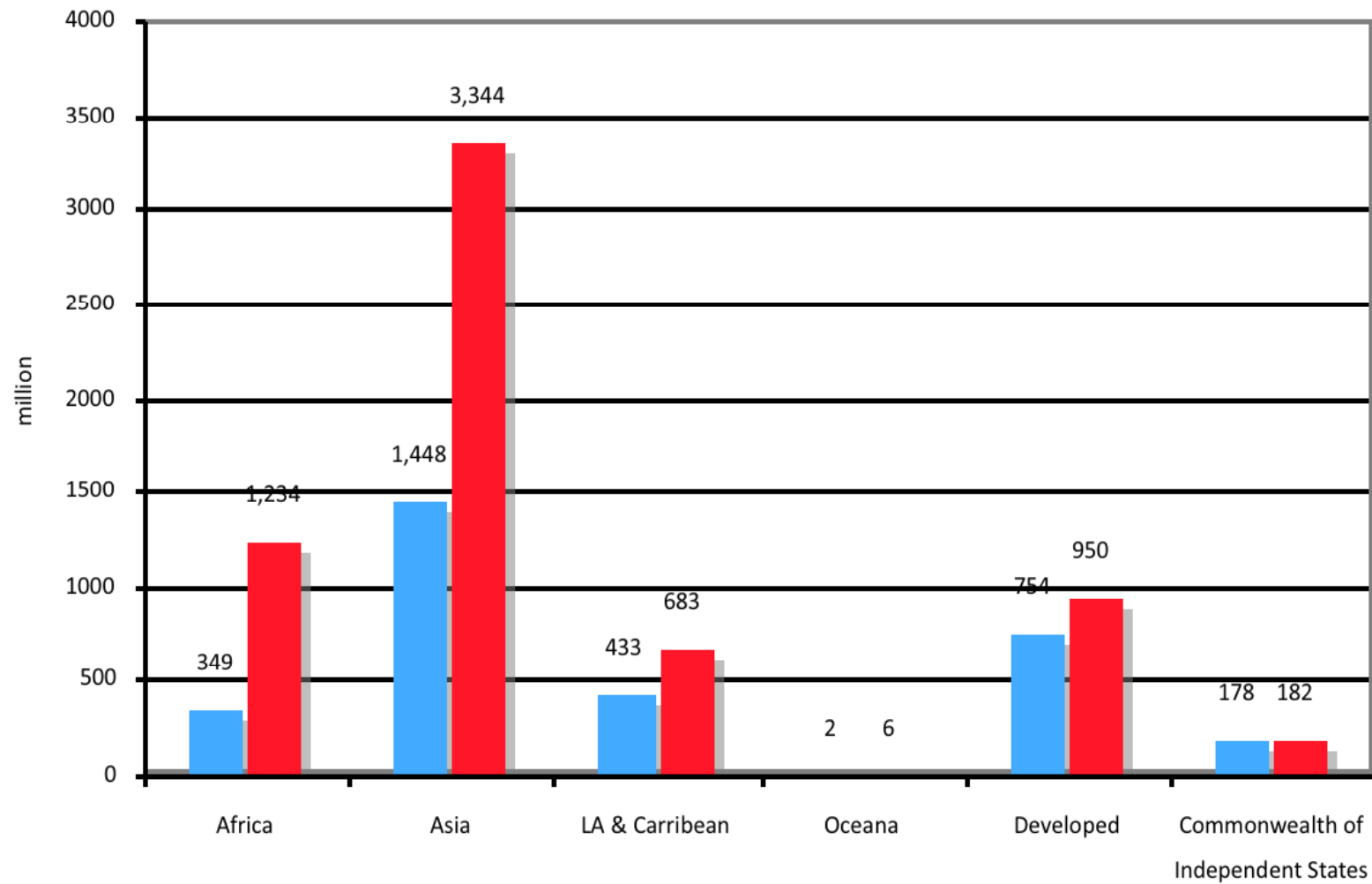
The world's poorest billion – globally significant

c. The bottom billion



Source: World Bank, 2009

Urban population by continent 2005 & 2050



UN-Habitat, 2008

■ 2005 ■ 2050

Variations across Africa

	% urban	average rate of urbanisation
North Africa	51	2.4
West & Central Africa	42	4.0
East Africa	21	4.1
Southern Africa	46	2.6
<i>Africa</i>	39	3.3

Scale and incidence of 'slum' living

Region	% Slums	Moderated (1-2 deficiencies)	Severely (3-4 deficiencies)
Sub-Saharan Africa	62	63	27
LAC	27	82	8
Southern Asia	43	95	5



- 6 out of 10 urban residents in Africa are slum dwellers

Contrasting perspectives on U & D

Development economics	Urbanisation is the outcome of national industrialisation
Urban sociology	Urbanisation contributes to poverty
Development studies	'Over-urbanisation'; Urbanisation without growth
Urban cultural studies	Rethinking development
Economic geography	Urbanisation fosters development

World Development Report 2009

- Urbanisation as a positive force and necessary ingredient of human development
 - “Cities, migration, and trade have been **the main catalysts** of progress in the developed world. ... such transformations are **essential** for economic success elsewhere ... these will be **the** changes that will help developing nations in other parts of the world, most notably **Africa**” (p.xx)
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WDR 2009: Argument

“No country has grown to middle income without industrialising and urbanising. None has grown to high income without vibrant cities. The rush to cities in developing countries seems chaotic, but its necessary” (p.24)

Three dimensions of economic geography:

- Higher **densities** (agglomeration economies)
 - Shorter **distances** (migration to density)
 - Fewer **divisions** (easier access to world markets)
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Scale	Local	National	Global
Key dimension	Density of settlements	Distance between lagging & leading areas	Division between countries
Second dimension	Distance 'cos of congestion	Density of population and poverty in lagging areas	Distance to major markets
Third dimension	Division between 'slums' and other areas	Division between regions	Density – absence of a large country nearby

Scale	Local	National	Global
Economic force	Agglomeration Speeded by migration, capital mobility and trade	Migration Influenced by agglomeration and specialisation	Specialisation Aided by agglomeration and factor mobility
Key factor of production	Land - Immobile	Labour Mobile within countries	Intermediate inputs Mobile within/between countries

Division: prevents progress in Africa but not in Europe

Border restrictions to the flow of goods, capital, people and ideas



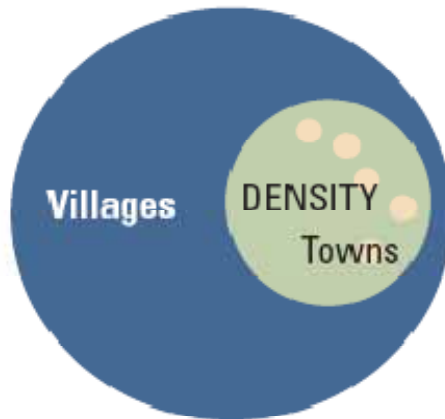
	Trading time across borders for exports (days)	Ave transport costs (\$ per container to Baltimore)	Population in landlocked countries (%)
East Asia	24	3900	0.4
Europe & central Asia	29	n.a.	23.0
Latin Amer & Caribbean	22	4600	2.8
Middle East & N Africa	27	2100	0
South Asia	34	3900	3.4
Sub-Sahara Africa	40	7600	40.2

	Ratio of number of countries to surface area	Road density (km ² of road per surface area, 1999)	Estimated number of civil conflicts (1940-2000)
East Asia	1.4	0.7	8
Europe & central Asia	1.2	n.a.	13
Latin Amer & Caribbean	1.5	0.1	15
Middle East & N Africa	1.6	0.3	17
South Asia	1.7	0.9	24
Sub-Sahara Africa	2.0	0.1	34

Policy implications: priority is economic integration, not spatial targeting

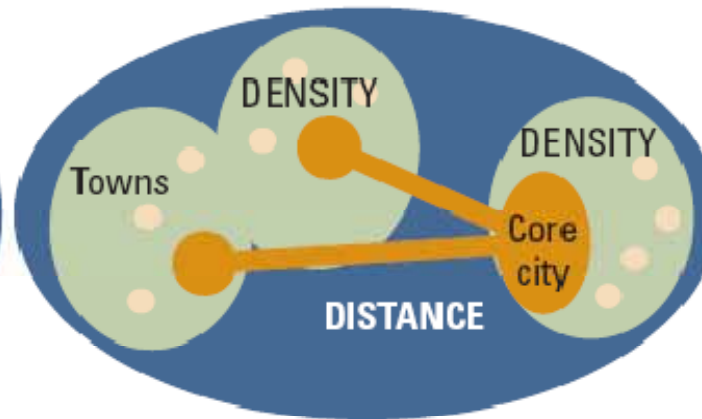
One-dimensional area
(density)

Incipient urbanization



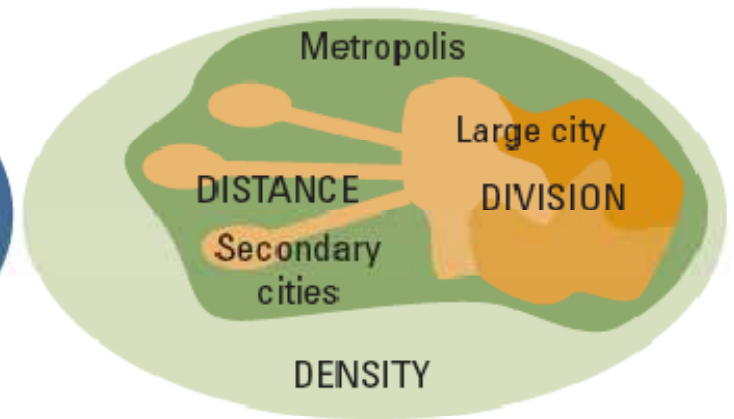
Two-dimensional area
(density + distance)

Intermediate urbanization



Three-dimensional area
(density + distance + division)

Advanced urbanization



Source: WDR 2009 team.

Spatially-blind policies, 'natural' urbanisation, **land** policies, basic **services** to all

As before + **transport infrastructure** to connect urban and rural

As before + **targeted slum upgrading**

Critical of other policies

- EU Regional Policy – should focus on education and developing (national) institutions, not business development or integrated regional development
 - UN Habitat – slum upgrading is not the priority
 - Informality – “is a brake on land development, constraining an efficient spatial transformation”
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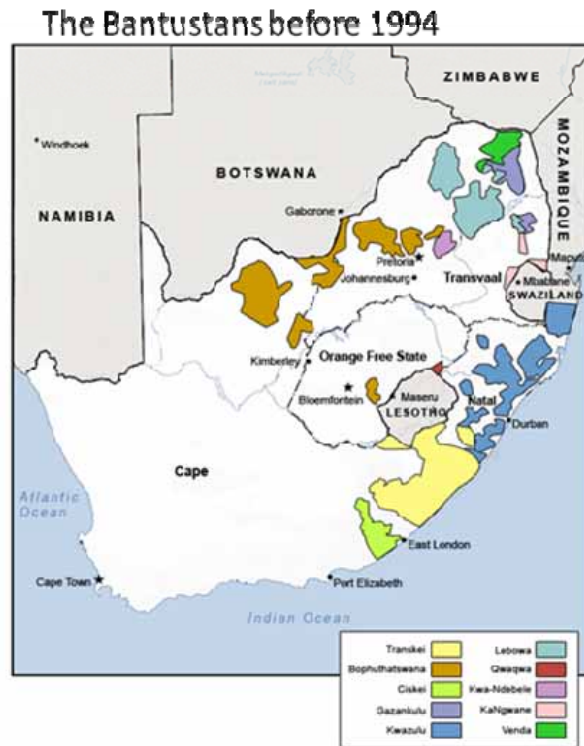
Weaknesses

- **National** institutions, not city-level
 - Ignores place-making, integrated spatial strategies
 - Urban planning to anticipate settlements
 - **Density**: Simple, linear model of urbanisation, industrialisation, development
 - Ignores negative externalities
 - Where will growth come from? (Recent improvements in resource extraction/processing; Ignores sectoral policy potential)
 - **Economic integration**: reducing distance and division promotes growth
 - Ignores unequal development; dominant and dependent relationships in global value chains
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South Africa

- Damaging legacy of apartheid – between and within regions

- 44% of black population
- 30% employment rate (50% elsewhere)



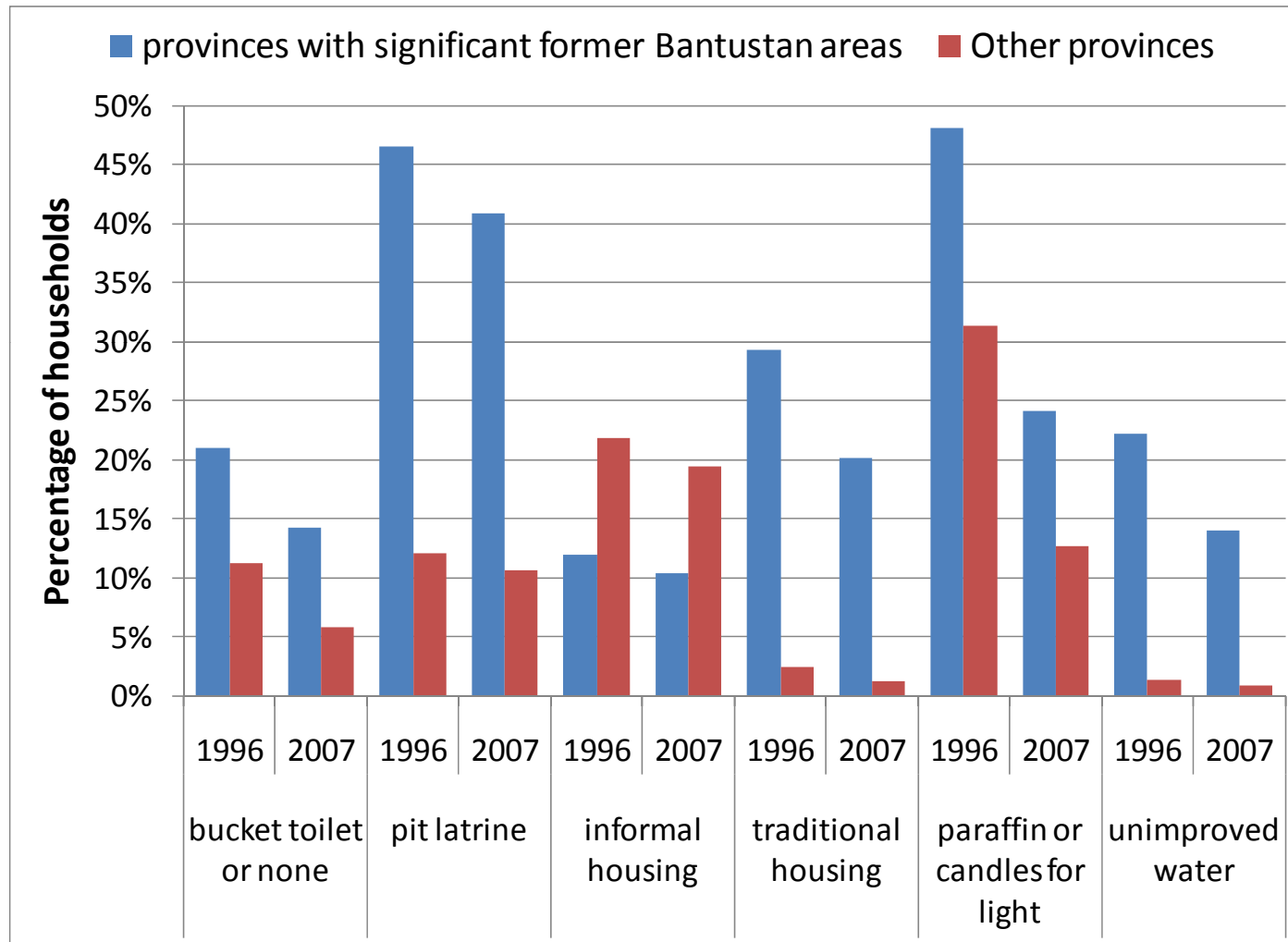
South Africa - policies

- Centralisation to overcome spatial and institutional disparities
 - No explicit urban policy, or rural development policy
 - Universal basic services – water, electricity, education, health, social grants
 - Transport infrastructure
 - Global integration – trade liberalisation, ‘prudent’ macro-economic policies
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Outcomes

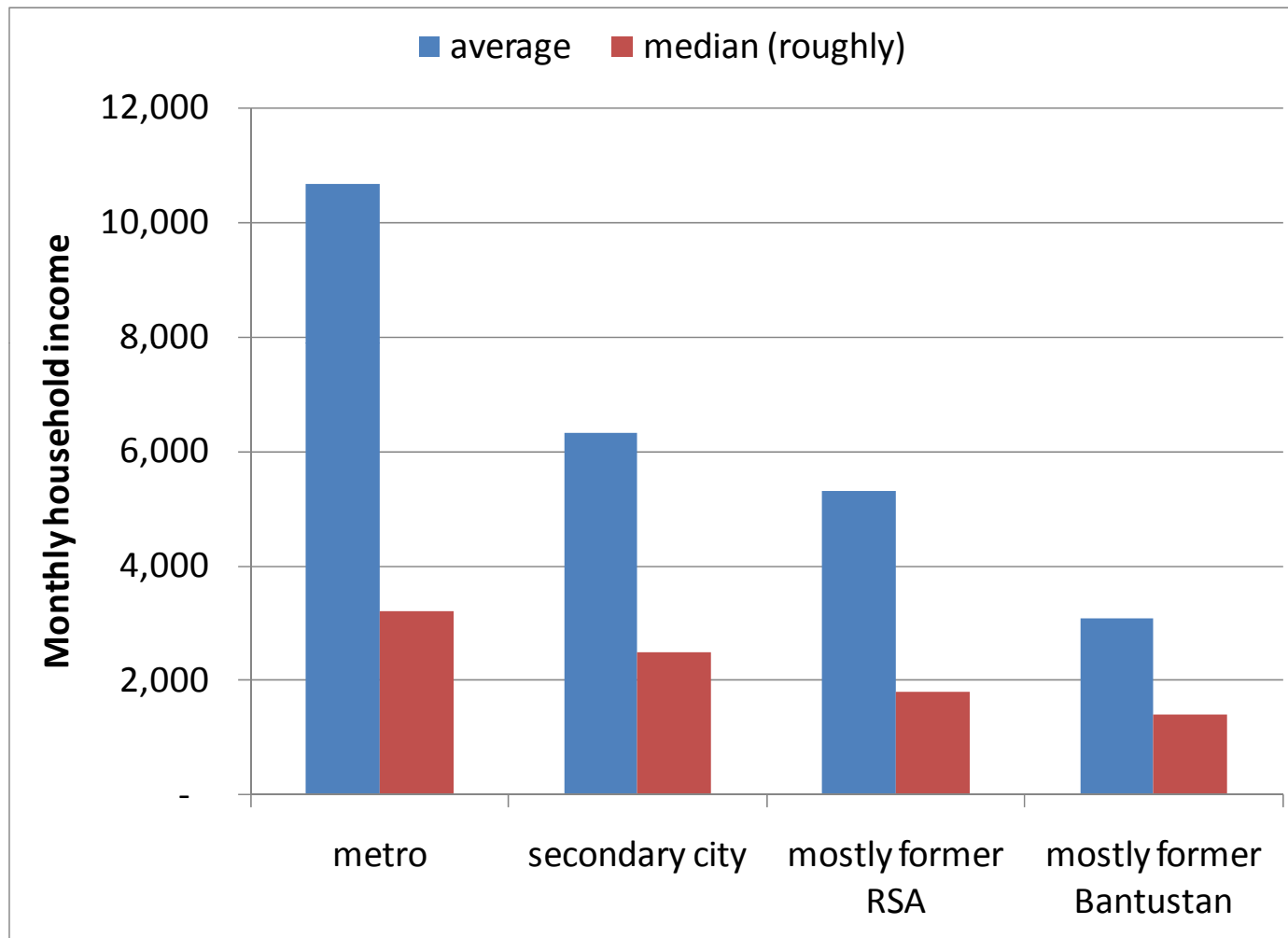
- Improved basic welfare but modest economic improvements
 - Deindustrialisation
 - Relatively slow growth
 - Reinforcing social and spatial inequalities
 - Density, but social overcrowding rather than economic density
 - Growing informality
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Access to household infrastructure, 1996 & 2007



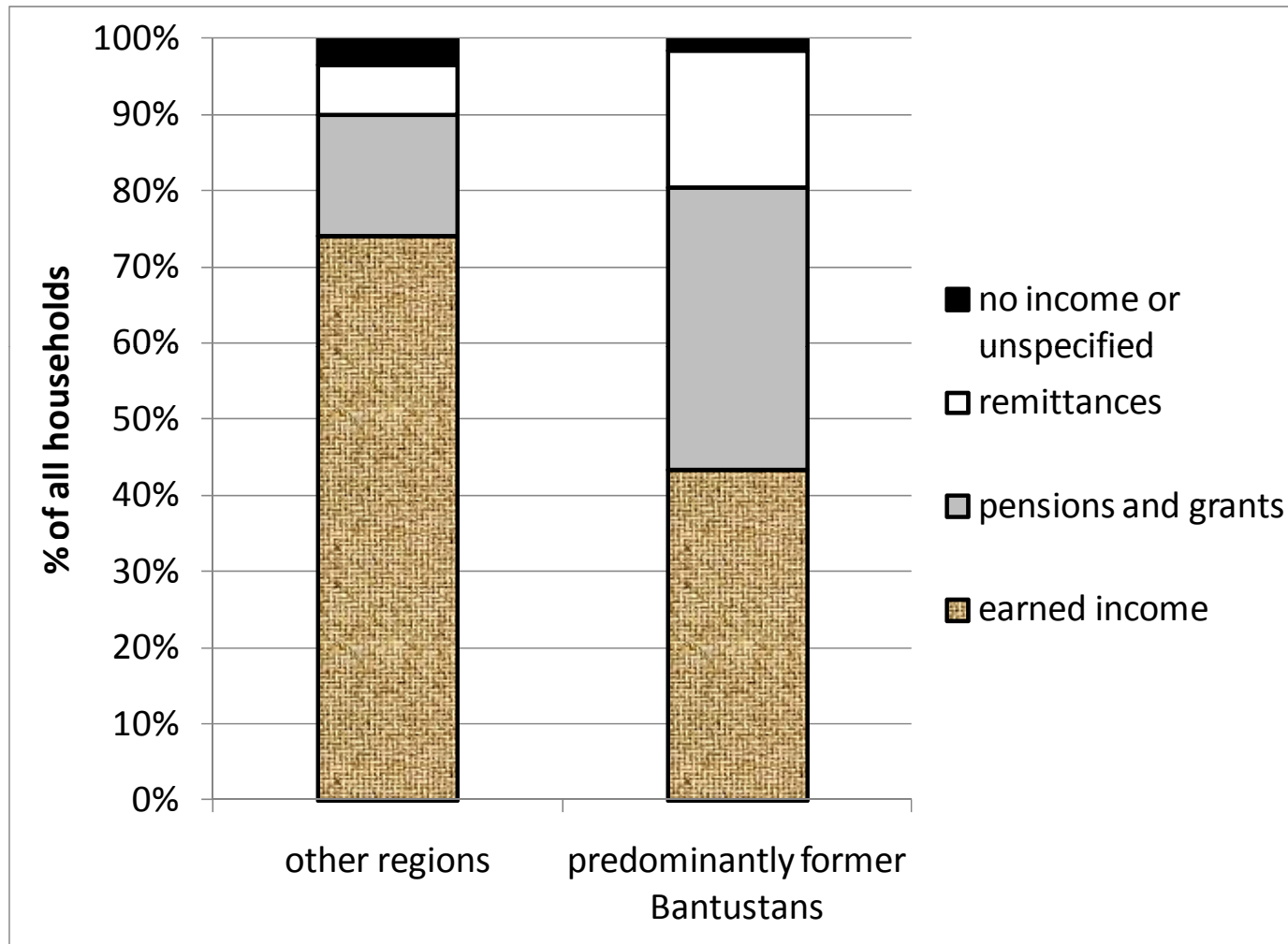
Source: Makgetla, 2010

Household incomes



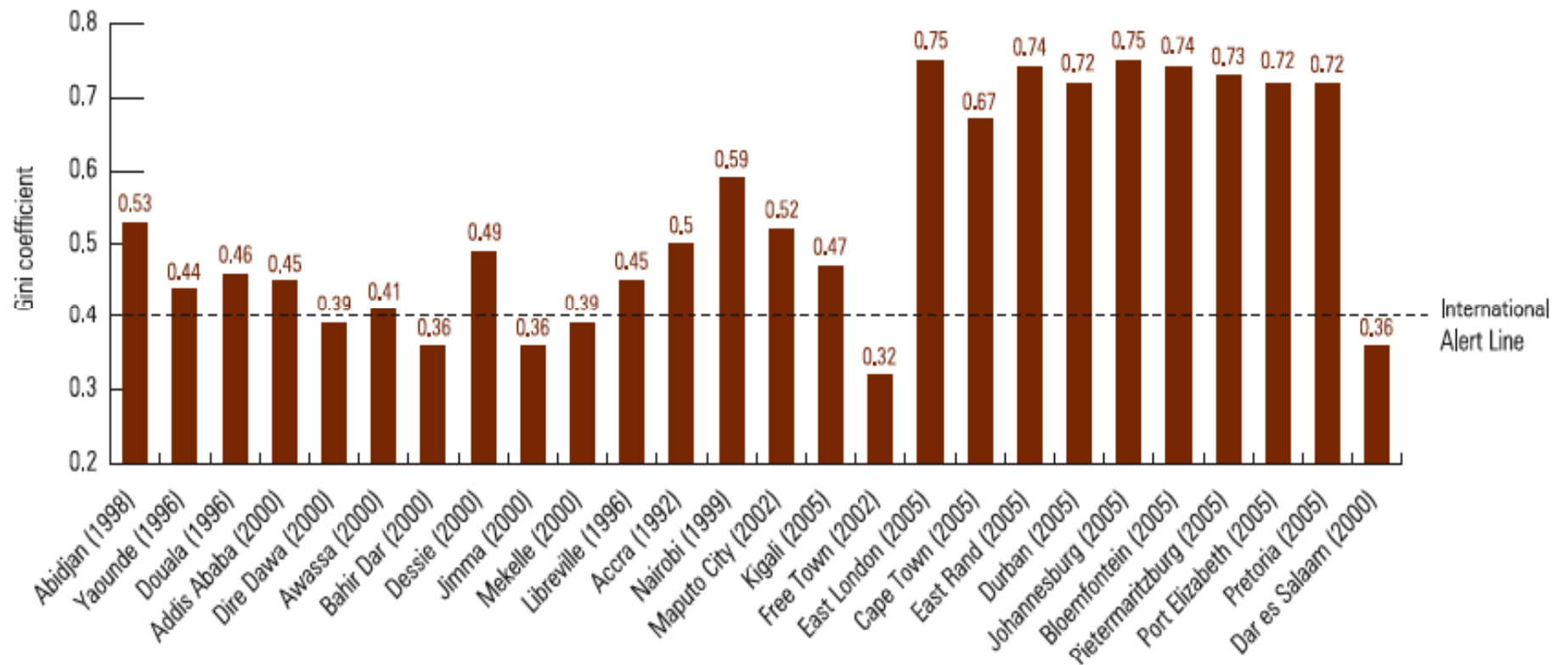
Source: Makgetla, 2010

Main source of household income



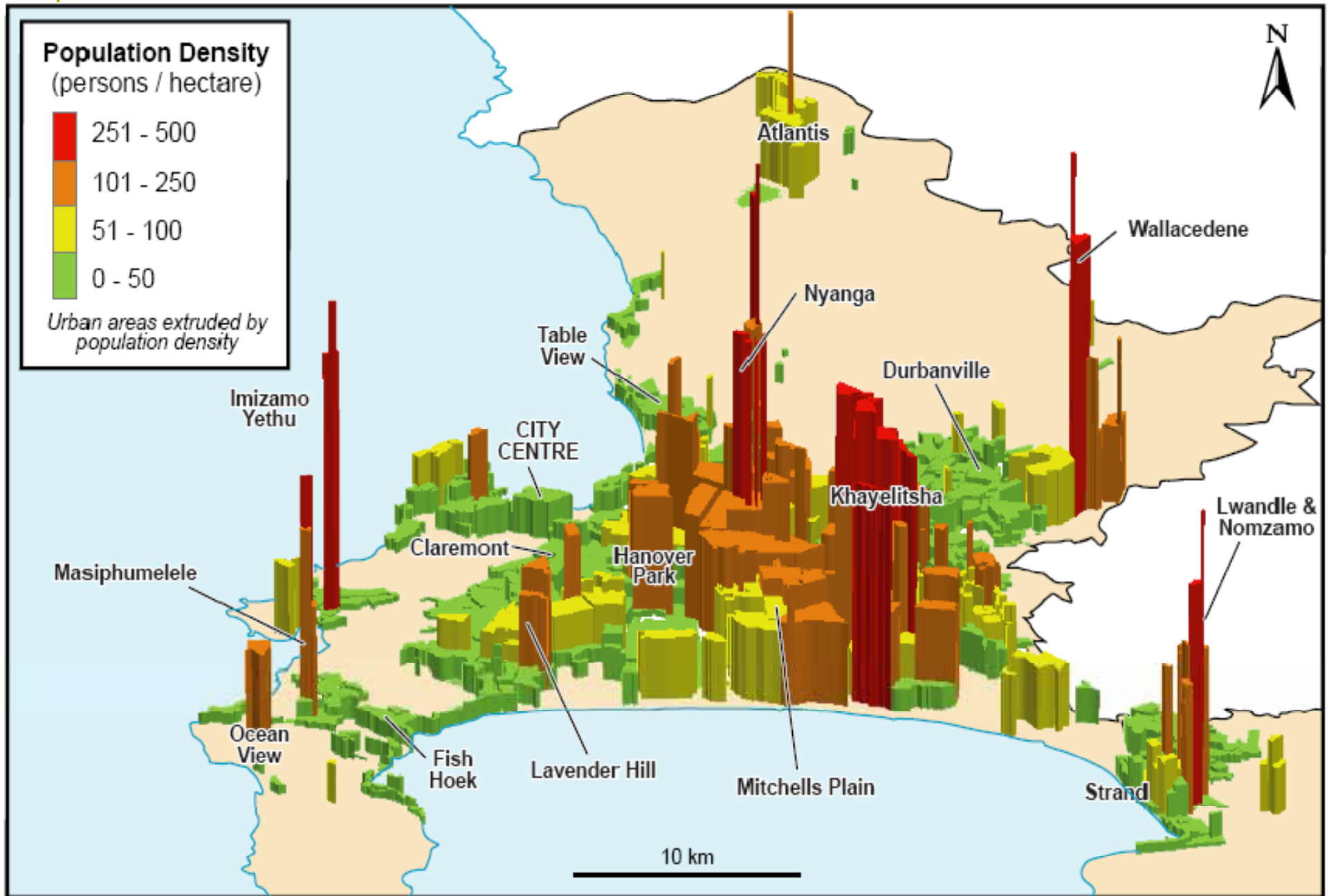
Source: Makgetla, 2010

Inequality within cities



Source: UN-HABITAT Global Urban Observatory, 2008.

Skewed urban form





Conclusions

- Significant regional development challenges
 - Globally significant
 - Many unanswered questions (eg migration)
 - Big opportunities for researchers
 - Economy – geography relationship vital
 - No single growth path
 - Context sensitivity but not exceptionalism
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