THE RURAL DIMENSION OF SUSTAINABLE URBAN DEVELOPMENT

Report of the secretariat

Summary

The flows of people, water, food, raw materials, energy, etc., from non-urban to urban areas have important implications for both the originating and the receiving areas. The disposal or impact of urban wastes (solid wastes, air and water pollution) in peri-urban and rural areas and beyond is also significant. Existing policy frameworks are often inadequate to deal with these issues because they are sectorally fragmented and do not apply to the broader regional context, encompassing both urban and rural areas.¹

Discussion of the rural dimension of sustainable urban development should address three challenges:

- The conceptual challenge of bringing to an end the counterproductive rural-urban dichotomy debate and promoting a policy perspective that views urban and rural areas as existing in a human settlement continuum.

- The policy challenge involved in moving away from policies designed to reduce rural-to-urban migration towards policies more supportive of urbanization and focusing on effective urban management; strengthening the capacity of local institutions and involving communities in decision-making; minimizing the "ecological footprints" of cities and integrating urban-rural linkages into national and sub-national planning processes.

- The investment challenge, i.e., the challenge of increasing investment in the physical, economic, and social infrastructures which are necessary for improved rural production and access to markets.

The present report reviews these challenges, summarizes the lessons learned from previous experiences and outlines outstanding questions for discussion.

¹ In its resolution 56/206 of 21 December 2001, the General Assembly transformed the Commission on Human Settlements into the Governing Council of the United Nations Human Settlements Programme (UN-HABITAT), a subsidiary organ of the General Assembly. This session has been designated as the nineteenth instead of the first session of the Governing Council to signify the continuity and relationship between the Governing Council and the Commission on Human Settlements.

² HS/GC/19/1.
Introduction

1. There are two substantive reasons for preparing the present document: first, the debate on the urban-rural divide has gone on for too long and some of the policies currently promoted by Governments have failed to produce the expected results; and second, new trends of thought on urban-rural linkages are emerging, making it necessary to revisit and review policies and approaches to the issue.

2. With regard to the long-running debate, there have been two well-known views on the urban-rural divide since the industrial revolution in Europe and the concomitant acceleration of urbanization: the anti-urban view and the pro-urban view. The anti-urban view idealizes and often regrets the disappearance of rural life; urbanization is seen as a destructive process, leading to the breakdown of social cohesion. The pro-urban view sees urbanization as a progressive process and one of the key forces underlying technological innovation, economic development and socio-political change. According to this latter view, cities and towns, as national repositories of scientific and artistic knowledge, are both the loci and the agents of innovation. Cities are also viewed as engines of economic growth, without which growth they are destined to collapse.

3. These two perceptions of the rural-urban divide have had strong influences on human settlements development approaches and investment policy decisions. For example, among international development agencies and even national Governments, investments in rural and urban areas have hitherto been seen as mutually exclusive and competing. Investment in rural areas, whether for human settlements or for general development, has very often been justified on the basis of reducing rural-to-urban migration, and investment in cities is often labelled “urban bias”. On the question of rural-to-urban migration, perceptions are split: to some, policies aimed at reducing rates of rural-to-urban migration should be supported, whereas to others, urban containment policies designed to curtail rates of rural-to-urban migration have failed and rapid urbanization should be accepted as inevitable with no energy wasted on attempting to reduce the growth rates of cities and towns.

4. With respect to emerging trends on rural-urban linkages, the first is globalization, which is creating new forms of linkages between small towns and rural areas (secondary cities): some analysts have talked of the emergence of an urban “archipelago economy” and of the “metropolization of the world economy”. The second trend is the phenomenon of urban and peri-urban agriculture: the deepening of urban poverty in recent years has forced many urban households, particularly in least developed countries, to seek additional sources of food and income, including through urban agriculture. A related, third, trend is what has been called return migration: the retrenchments that have resulted from economic structural adjustment programmes have in a few countries triggered a process of return migration, with some households migrating back to their rural homes mainly for economic and survival reasons. There are, however, some serious doubts about the quantitative significance and incidence of this trend. The fourth trend is the ruralization of urban employment. In some countries, large numbers of temporary agricultural workers employed by commercial farms, especially during the harvest season, are urban-based, giving rise to a diversification of income sources among poor urban households. This, together with urban agriculture, is increasingly putting to the test traditional definitions of urban and rural, as both their physical and occupational boundaries are becoming blurred; thus, the emerging paradigm of ruralization of urban areas, with all its attendant problems.

5. All these changes are taking place against a background of rapid urbanization in developing countries. While rural areas currently accommodate most of the population of developing countries and will continue to do so beyond 2005, the year in which the proportion of the world’s total population residing in urban areas is expected to exceed 50 per cent for the first time, urbanization is a growing phenomenon in all countries and all regions and has been accompanied by a significant increase in urban poverty. The global growth rate of the urban population living in poverty is considerably higher than that in rural areas, a trend which has been accurately described as the urbanization of poverty; during the period 1970-1985, the number of people living in poverty within urban areas increased by 73 per cent in absolute terms, while in rural areas the figure was 22 per cent. In 1991, the United Nations Development Programme (UNDP)
estimated that, by the year 2000, urban households living in poverty would have increased in number by 76 per cent, while more than half of the world’s poor would be living in cities. It is clear that cities and towns will play an increasing role in reducing national poverty and that, to achieve this, the urbanization process itself must be sustainable, otherwise the reigning malaise will continue, to the detriment of humankind.

6. The following section discusses the linkages and interrelationships between urban and rural areas and the impacts of their respective development on each other. At the first session of the World Urban Forum, in May 2002, an international expert panel discussed and shared experiences on this issue and made some suggestions and recommendations, including one for more research and deeper exploration of the issues involved. The present paper follows up those suggestions and advances knowledge and understanding of the development policy implications.

I. SUSTAINABLE URBAN DEVELOPMENT: IMPACTS ON RURAL AREAS

A. Impacts of urbanization on rural areas

7. With the current scale of growth of urban areas, it is hardly surprising that cities and towns use enormous amounts of resources and produce a major proportion of the pollutants affecting the air, watercourses, seas and soil. Because of their concentrated nature, human settlements are significant consumers of natural resources: land is required for the location of shelter, economic activities and transport systems, and unfortunately, at times the best agricultural land is consumed, further reducing the scope for producing the food needed by the population; adequate supplies of water and waste removal systems are needed to maintain a healthy population, and for the industrial processes which generate income for the city's residents; and energy is required for industries and transportation, domestic cooking, heating, cooling and so on. Also, building materials, almost all of which are extracted from nature, are required for construction, and various non-renewable resources are needed for urban industrial production.

8. At the same time, most economic development takes place in urban areas and it is there that advances are made, and the very wealth upon which development depends is created. Thus, cities have been recognized as engines of economic growth. Agenda 21 explicitly addresses this situation in its chapter 7, where the concept of promoting sustainable human settlements was introduced for the first time: “urbanization, if properly managed, offers unique opportunities for the supply of sustainable environmental infrastructure through adequate pricing policies, educational programmes and access mechanisms that are economically and environmentally sound”.

1. Economic impacts of sustainable urban development on rural areas

9. It is important to summarize the economic flows linking urban and rural areas before examining the economic impacts of the former on the latter. Economically speaking, rural and urban areas are linked by the exchange of unprocessed and processed products, with both areas acting as markets for the other. Rural areas provide many of the raw materials needed for industrial production in urban areas, mainly in the form of agricultural and mineral commodities. In addition, rural areas provide most of the food consumed within cities and towns, with only a small proportion being grown within urban areas themselves. Cities, on the other hand, provide the manufactured inputs necessary for agricultural production in rural areas and also other consumer goods necessary for everyday life, hence a symbiotic relationship exists.

10. In this reciprocal relationship, urban markets provide a powerful incentive for increased rural production, while expanding rural markets provide an equally powerful incentive for increased production of goods manufactured in urban areas. In the long run, urban centres provide the loci for secondary and tertiary investment of capital derived from primary production in rural areas. In this way, cities can be seen as centres of capital accumulation. With respect to services, urban centres provide a central location for the retail, commercial, administrative and transport services necessary for both their resident population and for rural agricultural producers and populations. This service linkage lies at the core of human settlement theory and has influenced national human settlement policies and strategies to a very large extent.
11. To facilitate the aforementioned flows and linkages, rural areas and cities are connected by infrastructure, principally transport, electricity and telecommunication networks. Facilitation of rural-urban flows through infrastructure provision lies at the heart of rural growth and service-centre strategies, which are among the most popular regional development planning strategies in developing countries.

12. Three main conclusions emerge from analyses of the economic contribution of urbanization to rural development and to national development in general:

   (a) Worldwide empirical evidence demonstrates clearly that there is a positive correlation between per capita gross national product (GNP) and the degree of urbanization, measured as the percentage of the total national population resident within urban areas. This reflects the fact that towns and cities are the engines of national economic growth;

   (b) The net effect of urbanization at the household level is an increase in average real income. For poor households, urban areas offer better opportunities for income generation both through formal employment and through informal-sector activities. It is also clear that the expectation of higher income, whether imagined or real, is the main factor underlying rural-to-urban migration in all countries;

   (c) Evidence from developing countries suggests that, through a variety of urban-rural linkages, urban centres have many positive impacts on their rural hinterlands. These linkages include remittances of money by urban residents to their rural kin; transfers of knowledge and skills through migrants returning from urban to rural areas; and the provision of retail, transport, social and administrative services to rural hinterland populations.

2. Environmental impacts of urban development on rural areas

13. Urbanization brings with it environmental problems, both within cities and in their surrounding rural areas, such as water, soil and air pollution and the problems of waste generation and disposal. The expansion of cities creates an increased demand for natural resources which must be met from rural-area resources. In many instances, urban-generated waste has been disposed of in adjoining rural areas in the form of landfill, for example. Thus, rural areas become sinks for urban wastes, which when not properly managed, tend to pollute water sources in particular and the whole ecosystem in general.

14. The impact of urban areas beyond their boundaries in terms of consumption of natural resources and environmental disruption has been described as the ecological footprint. To address the problem, cities must adopt not only sustainable planning but also management approaches consistent with broader, national sustainable-development strategies and environmental management tools. Considering the close linkages between urban and rural areas, effective and sustainable environmental management by cities can positively benefit adjacent rural communities.

3. Social impacts of sustainable urban development on rural areas

15. Demographically, rural areas and cities are linked by both long-term and circular migration. This particular linkage has also significantly influenced the formulation of human settlement policies, resulting in generally unsuccessful attempts to reduce rural-to-urban migration rates and control the growth of “primate” cities. In contrast to these urban containment policies, there is in fact enough empirical evidence to show that rural-to-urban migration, and urbanization in general, have a number of positive demographic impacts on rural areas and on national development:

   (a) Towns and cities have an important role to play by absorbing excess population from overpopulated and environmentally fragile regions. This is precisely the role that towns and cities played during the industrial revolution in Europe, making possible the consolidation and enclosure of previously fragmented and economically non-viable agricultural land units;
(b) Urbanization generally contributes to reducing fertility rates and average family size. This is largely the result of the behavioural and lifestyle changes which characterize urbanization, including improved education and exposure to modern technologies, higher age at first marriage, increased female employment and higher rates of contraceptive awareness and use. Also, the cost of caring for the diverse needs of children and the cost of housing or accommodation, combined with the desire for a higher quality of life, tends to discourage urban residents from having families as large as they would have had in rural settings;

(c) In developed countries, urbanization initially led to higher mortality rates in urban than rural areas, largely because of severe overcrowding combined with poor sanitation conditions. There is no difference between urban and rural mortality rates in developed countries today. In developing countries, however, urban areas have lower mortality rates than rural areas, largely as a result of the better availability of medical facilities in urban areas.

16. In addition to the specifically demographic benefits of urbanization, there are also two other more general social benefits:

(a) In many developing countries, urban-to-rural household financial remittances play an important role in alleviating the poverty of many rural families. At the individual level, such remittances are now difficult for many urban low-income employees to make, especially given the deepening poverty in urban areas themselves. However, collective efforts by urban residents in aid of their rural areas of origin have proved effective in some developing countries. Many urban-based associations have the furtherance of development in their rural home communities as an important objective; indeed, many urban inhabitants in much of sub-Saharan Africa, Asia and the Pacific maintain very close links with the rural communities in which they grew up or lived before migrating to urban centres, and intend to return to their rural communities on retirement;

(b) From a sociological point of view, urbanization can be seen as an invisible force that transforms patterns and styles of living, not only in urban areas themselves but also in rural areas. In this way, urbanization can be seen as a way of life, a process of transformation of ways of living, irrespective of the physical location of that transformation. People residing in a remote rural village may become urbanized without necessarily migrating to towns and cities, insofar as their access to the infrastructure and services normally associated with urban areas can be increased and insofar as their behavioural patterns can be transformed from typically “rural” to “urban” patterns.

B. Past and present urban-rural (regional) policies

17. Past and present human settlement policies designed to strengthen rural-urban linkages - and so in part to maximize the benefits of sustainable urban development on rural areas - may be divided into two main categories, population redistribution policies, and growth and service-centre policies. A third policy category which has indirectly contributed to the integration of rural and urban economies has been decentralization of government.

1. Population redistribution policies

18. Population redistribution measures have aimed to reduce the rate of rural-to-urban migration, particularly to large or “primate” cities. The most important have been:

(a) Land resettlement or agrarian reform policies involving the resettlement of large numbers of rural people in sparsely populated areas or in newly acquired former commercial farming areas;

(b) Population policies designed to encourage migration of rural residents into medium-sized and small towns, including growth centres. These usually involve the improvement of housing conditions and social infrastructure, including the medical, educational and cultural infrastructure.
2. **Growth and service-centre policies**

19. Growth and service-centre policies have perhaps been the most popular regional development policies. The main objective of growth-pole policies is to achieve selective decentralization of productive investment, while service-centre policies aim to improve access to urban services and generally to create a more balanced distribution of urban settlements. Service-centre policies, which cover small and medium-sized towns as well as rural service centres, have sometimes been called market-town development policies. Many countries have placed emphasis on rural service centres, which have been defined as those central places at the lower end of the central-place hierarchy which contribute directly to meeting the basic economic and social needs of agricultural producers. Service-centre policies, which have been very popular in developing countries, can therefore be seen as complementing agrarian reform measures by improving access to agricultural inputs and services, including marketing. These centres can:

(a) Create focal points of development in remote and undeveloped areas of a country;

(b) Contribute to the integration of development activities at the local level;

(c) Promote development and efficient growth of rural growth centres; and

(d) Stimulate social and economic development in rural areas.

They also complement the decentralization measures discussed below.

20. A variety of instruments have been used to encourage industrial decentralization to growth centres, as well as to small and medium-sized towns, and to extend urban services to rural service centres. These may be divided into two broad categories:

(a) Infrastructure-related instruments, sometimes categorized as non-fiscal instruments, which have usually included provision of physical infrastructure and services both for firms and their workforces; direct provision of industrial facilities, including sites and workshops or industrial buildings; and measures to prevent uncontrolled development and inflationary increases in land values in growth centres;

(b) Fiscal instruments, which have usually included subsidies to investments, including tax allowances, grants, loans and cheap credit; subsidies to the cost of establishing new plants, including grants for removal expenses; subsidies to operating costs, such as tax holidays, payroll subsidies and exemptions from import duties; and fiscal penalties for locating in large cities, including property and payroll taxes.

The effects of these instruments are however not yet clearly evident. It is possible that they have not as yet been sufficiently applied or their impacts have not been fully and adequately assessed.

3. **Decentralization of governmental systems**

21. Many countries still believe in centralized governmental administration, citing benefits such as:

(a) Greater ease of policy and strategy streamlining, implementation and coordination;

(b) Better-directed coordination of infrastructure investment;

(c) Equalization potential, reputed to be greater under centralization;

(d) That central governments have greater resources and are more development-minded than local governments.

However, there are doubts as to the reality of these benefits. Contemporary thought centres on decentralization, especially with the advent of the elected Governments now sweeping the developing world.
22. Decentralization of governmental systems has occurred mostly through three major avenues, the
deconcentration of central government, the decentralization (or devolution) of local government and spatial
decentralization, which has encouraged economic development outside the major urban centres.
Decentralization has generally encouraged the adoption of a version of regional development planning based
on administrative regions which has sometimes been called integrated area development planning. This
generally encompasses both rural settlements and small urban settlements, and has usually focused on the
district level. There has also been fiscal decentralization, which brings governance closer to the people:
local governments are given some taxing powers and expenditure responsibilities which allow them to
decide on the level and structure of their expenditure budgets.

23. Government decentralization policies have been very closely linked with settlement policies in which
each district and each province has a small or medium-sized urban centre as its capital. Another outcome of
government decentralization policies has been the decentralization of public-sector offices and jobs away
from “primate” cities to provincial capitals and district service centres, thus strengthening the service linkage
between rural and urban areas. Bringing the people, including the poor, to the centre of decision-making and
of development processes contributes to sustainable development, and community participation creates trust
and a sense of ownership in the community.

4. Habitat Agenda recommendations on balanced urban-rural development

24. The global plan of action outlined in the Habitat Agenda emphasizes the interdependence between
urban and rural areas and the need to promote their balanced development. In its paragraph 163, the Habitat
Agenda identifies the main problems facing rural settlements as insufficient infrastructure and services,
lack of environmentally sound technology and pollution resulting from the adverse impacts of unsustainable
industrialization and urbanization and the lack of employment opportunities, which increases rural-to-urban
migration and results in a loss of human capacity in rural communities. The same paragraph encourages the
adoption and implementation of policies and programmes that integrate rural regions into the national
economy promote strong local and national institutions for the planning and management of human
settlements and place emphasis on rural-urban linkages and treat villages and cities as two ends of a human
settlements continuum.

25. The specific actions proposed under the global plan of action are designed:

(a) To promote the sustainable development of rural settlements and to reduce rural-to-urban
migration;

(b) To promote the utilization of new and improved technologies and appropriate traditional
practices in rural settlements development;

(c) To establish policies for sustainable regional development and management;

(d) To strengthen sustainable development and employment opportunities in impoverished rural
areas;

(e) To promote balanced and mutually supportive urban-rural development.

26. The Habitat Agenda thus broadly endorses most of the urban-rural linkage policies described above,
including attempts to reduce rural-to-urban migration. For this reason, it is important to review how these
policies have performed in reality.

5. Assessment of past and present urban-rural (regional) policies

27. As the pace of urbanization has increased in many developing countries and as rural production has
stagnated or even declined in some, the main policies described above have faced a number of criticisms,
some of which have been manifested in practical shortcomings. The principal problems are described in the
following paragraphs.
28. The first problem has been the perceived failure of regional planning itself, despite of the many attempts at regional planning in recent decades, many parts of many developing countries remain grossly underdeveloped and are hardly integrated at all into the mainstream modern economies of their countries, let alone into the increasingly influential global economy. The main challenge for regional planning through the rural-urban linkages approach is to ensure conditions for economic growth and increased employment opportunities in these disadvantaged regions and for global economic competitiveness and, in the long run, to guarantee better living and working conditions for all, regardless of their geographical location.

29. The fundamental assumption underlying most of the policies which we have outlined is that urbanization rates within developing countries are too high. Since rapid rural-to-urban migration has been the main cause of “over-urbanization”, the main objective has been to reduce such migration either by controlling the size of “primate” cities or making rural areas, including the small towns and growth centres located there, more attractive.

30. Critics have argued that the problem with this anti-urbanization view is that the undesirable consequences of urban “primacy”, including agglomeration diseconomies, have never been convincingly demonstrated. Also, there is no agreement on whether an optimal city size exists beyond which agglomeration diseconomies begin to operate, so there is evidently no sound theoretical justification for urban containment policies. Many industries located in growth centres, particularly those that are not tied to local natural resources, often draw their human resources and raw materials from the entire national territory and economy rather than from their immediate geographical hinterlands. This has given rise to criticism regarding the fundamental regional development objective of growth centres, that is, the disappointing state of their local spread, or trickle-down effects.

31. Growth and rural service-centre policies have also been criticized for concentrating on the provision of physical infrastructure, a necessary but not a sufficient condition for economic production and growth. However, recent evidence regarding the relationship between certain types of physical infrastructure and economic growth highlights the logic of infrastructure-led development policies. According to the World Bank, a 1 per cent increase in the stock of infrastructure is associated with a 1 percent increase in gross domestic product across all countries, and as countries develop, infrastructure must adapt to support changing patterns of demand, as the shares of energy, roads and telecommunications in the total stock of infrastructure increase relative to those of basic services such as water supply and irrigation.

32. The size of population affected by most of the policies which we have described is usually too small to have any meaningful impact on the rate of rural-to-urban migration. This is particularly true of rural population resettlement and agrarian reform measures. Increasing agricultural productivity often results in increasing rural-to-urban migration as capital-intensive applications release surplus labour from agricultural employment, and the “surplus” labour then tends to seek alternative employment in urban areas. Also, the level of resource investment in growth centres and small and medium-sized towns has usually been too modest to result in the establishment of industry of any significance, particularly in employment terms. Further, the incentives offered both to industry and to employees have generally tended to be insignificant. Lastly, decentralization of employment away from large cities to smaller towns and growth centres has usually been limited to manufacturing industry jobs, whereas public-sector and service-sector jobs are, in general, quantitatively more significant in developing economies. However, the decentralization policies adopted by some developing countries have begun to yield results in this respect.

33. There has very often been no coordination between regional or location policies on the one hand and sectoral economic development policies on the other. This has sometimes resulted in conflict between the two or poor performance by both. For example, agricultural commodity pricing policies have a direct effect on rural-urban wage differentials and import-substituting industrial policies tend to work against investment decentralization policies. Also, regional development policies can provide only a framework for productive operations and must be supported by appropriate sectoral policies if economic production and growth are to take place.
34. Migration control measures have sometimes been implemented in a coercive and autocratic manner and have been severely criticized for their violations of basic human rights, in particular freedom of movement and the right to work and earn a living. Measures to discourage the emergence of urban informal settlements and informal enterprises in some developing-world cities, and to regulate the movement of people from rural to urban areas, especially in some so-called socialist and apartheid countries, have been particularly criticized in this regard. In general, these strategies have failed, with more and more people moving into the cities despite them.

35. With respect to government decentralization policies, a major problem in many countries has been central government’s reluctance to accompany devolution of public-service responsibilities to local and provincial authorities with matching financial autonomy. Other problems of decentralization include:

(a) Lack of commitment by Governments to decentralization;
(b) The inadequacy of the models copied, i.e., a lack of local adaptation of these models;
(c) Inappropriate size of local institutions, with some too big and others too small; and
(d) Capacity of local government officials which is sometimes inadequate.

36. From the above criticisms, it is clear that the failure of policies designed partly to strengthen rural-urban linkages stems both from inherent conceptual shortcomings and also from inadequacies in implementation. The main point that must be emphasized is that rural-urban and regional policies should aim to contribute towards improving the income-generation opportunities of households and living and working conditions in rural and urban settlements, rather than reducing population movements from rural to urban areas, or combating “over-urbanization”.

II. CONCLUSIONS

A. Lessons learned

37. A number of fundamental lessons have been learned from reviewing the performance of the policies described above. Those lessons, summarized below, should constitute the basis for future policies and strategies designed to strengthen urban-rural linkages and thus maximize the positive impacts of sustainable urban development on rural areas.

38. The lessons on the issue of rural-to-urban migration are the following:

(a) It has not been possible to stop or even slow down the process of rapid urbanization in developing countries, leading to the conclusion that rapid urbanization should be accepted as inevitable. This is even more so with the prevailing globalization phenomenon. We contend that what needs to be done is to promote and strengthen the capacity of cities and towns productively to absorb excess rural population and better manage development. While accepting the inevitability of urbanization, rural populations should be provided with decent living conditions;

(b) Emphasis should be placed on addressing the problems created both within the cities and in rural areas by rapid rural-to-urban migration, such as high urban unemployment rates, pressure on urban infrastructure and services, and labour shortages within the rural areas of some countries. Negative environmental impacts of urbanization on rural areas should be minimized to the extent possible or completely eliminated;

(c) Rural-to-urban migration does not always have negative impacts on rural areas, such as drainage of human resources, since towns and cities have an important role in absorbing excess population from overpopulated and environmentally fragile regions. In this context, it may be beneficial for some developing countries not to discourage rural-to-urban migration, especially to secondary and smaller urban
centres. Indeed China has adopted a policy of encouraging rural-urban migration as a strategy to reduce poverty by reducing the pressure on land. Botswana has created a "Major Villages Infrastructure Programme" which in effect induces urbanization. It is important to spread the benefits of urbanization to all parts of the national territory, including access to physical and economic infrastructure and services. Indeed, free mobility is an instrument to achieving economic prosperity and social welfare;

(d) Rural development should therefore not be based on the premise of reducing rural-to-urban migration but on the need to improve the economic and social conditions of the population remaining in rural areas and on the need for the rural areas to contribute optimally towards national economic growth through improved productivity, both agricultural and non-agricultural.

39. Rural and urban areas should not be treated as different or competing development spaces. It is abundantly clear that the rural-versus-urban debate is counterproductive and is no longer based on reality. Because of the economic, demographic and environmental complementarities between rural and urban areas, there is a need to promote a rural-urban linkages approach which sees urban and rural areas only as two ends of the human settlements continuum. Rural and urban areas are intimately linked and if sensibly planned and managed, can complement one another. This is a fundamental policy lesson that must form the basis for new development policies in the twenty-first century.

40. It is clear that urbanization is not only a growth in the population living within the legal or administrative boundaries of towns and cities but also an invisible force transforming social patterns, especially through improvements in services and infrastructure and also through changes in social behaviour.

41. An improved rural infrastructure is a necessary condition for the expansion of markets for agricultural produce into urban areas and internationally, and also for increases in both farm and non-farm productivity in rural areas, both of which are necessary for rural poverty reduction. Strengthened physical and economic communications, reinforced educational infrastructure and improved services in rural areas also stimulate investment, increase productivity and even generate non-farm employment. There is an urgent need for developing countries to formulate and implement realistic urban-rural and regional infrastructure policies within the overall context of coherent national human settlement policies. Addressing the urban-rural infrastructure gaps in many developing countries requires more, rather than less, government action. Partnerships in infrastructure provision should be seen as a complementary approach in the provision of certain types of infrastructure, especially telecommunications.

42. Development of a system of intermediate-size secondary and tertiary settlements (towns) could be a way of strengthening rural-urban linkages. Such intermediate-size towns provide intervening opportunity destinations for rural-urban migrants in addition to cushioning the impact of the radical change from rural areas to large urban centres, thus creating an opportunity to build cohesion between urban and rural people.

43. Regional policies such as those described above will not succeed by themselves in transforming the lives of the poor and narrowing urban-rural inequalities. Regional policies must be part of national development strategies to reduce poverty through various sectoral strategies such as land redistribution and improved access to credit, health, education and other basic services. In this context, it has been suggested that an integrated or holistic approach to urban and rural areas could be more effectively achieved through a physical or spatial planning approach, which also involves the communities affected or concerned. The planning instrument can be used to narrow the development gap between urban and rural areas. Above all, institutions of urban and rural planning and governance should be more purposefully strengthened.

44. Although urbanization is a universal phenomenon, the underlying causes may differ from country to country or region to region. It therefore requires more rigorous research within these country or regional contexts for example, into the question of why urbanization in some countries/regions is not matched by economic growth, so that urbanization policies are based on adequate specific knowledge and not on overgeneralizations. Indeed, rural-to-urban population movements are driven not only by economic stimuli but also have social and cultural reasons.
B. Points for discussion

45. The following items are recommended for discussion by the Governing Council:

(a) Economic, environmental and governance tensions make it difficult to realize the benefits of interdependence between rural and urban areas. What are the most appropriate and effective institutions and instruments for developing and implementing economic policies, resource-use and waste-management strategies and governance arrangements that recognize and enhance the complementary roles of urban and rural areas in sustainable development?

(b) Within the context of an enabling approach, national Governments, local authorities and international organizations should work to improve public investment in physical infrastructure, especially road, electricity, information and communication networks, in order to strengthen urban-rural linkages, maximize the benefits of sustainable urban development on rural areas and stimulate economic production in small towns and rural settlements;

(c) Sustainable urbanization strategies, particularly in the rapidly urbanizing regions of Africa and Asia, should take into account and integrate economic, social and environmental parameters at the core of national development policies. How can the benefits of these be optimized, for both the urban and rural populations? What role can local authorities play in this regard?

(d) Some countries are said to be trying out deliberate policies of encouraging rural-urban migration with the objective of combating poverty among rural farmers. What has been the impact of such policies and strategies and to what extent should such policies be encouraged?

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4 Ibid., para. 165.

5 Ibid., para. 166.

6 See ibid., para.167.

7 Ibid., para. 168.

8 See ibid., para. 169.

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