

Changing rural-urban interactions in sub-Saharan Africa and their impact on livelihoods: a summary

This paper draws on the findings from case studies conducted between 1997 and 2001 in Mali, Nigeria and Tanzania. Each case study is summarised in Briefing Papers 1 to 5 in this series, and full reports are available in the Working Papers Series on Rural-Urban Interactions and Livelihood Strategies, freely downloadable from www.iiied.org. Author contact: Cecilia.Tacoli@iiied.org

Background

Population growth, urbanisation and declining returns from agriculture for small farmers mean that rural-urban interactions and linkages play an increasingly important role in local economies and in the livelihoods of large numbers of people. Trends in flows of people, goods, money and information, and patterns of occupational diversification reflect a dynamic process of economic, social and cultural transformation which needs to be better understood. This is especially important for the formulation of policies aiming to reduce poverty, and to support the positive role of urban centres in the development of their surrounding regions.

In the past two decades, economic crisis and reform have affected both rural and urban African populations. Small farmers' production has been negatively affected by the cost of agricultural inputs and consumer goods rising faster than the prices of agricultural produce. This cost-price squeeze has created a high risk environment which makes it difficult for small farmers to compete on domestic and international markets. Urban incomes have fallen following retrenchments of public sector workers and restrictions on wage levels, which have affected both formal sector workers and the informal sector activities which depend largely on their demand. Increases in food prices and service charges, cuts in public expenditure – especially health and education - and in infrastructure expenditure have been particularly felt by low-income groups. This has resulted in changes in livelihood strategies along two main lines: a widespread increase in mobility accompanied by strong social and economic links with home areas; and higher levels of multi-activity, especially among younger generations.

Variations in socio-economic, political, cultural, historical and geographical contexts both between and within nations affect the scope and nature of the linkages between towns and countryside. With this in mind, the paper does not attempt to give a conclusive account of rural-urban interactions in sub-Saharan Africa, but rather to point to the main factors underlying current transformations in this area, drawing from findings from the relatively different contexts of Mali, Nigeria and Tanzania. Key issues include:

- Access to land and land tenure systems: in many African nations, statutory and customary tenure coexist and often overlap, especially in peri-urban areas, where

formal and informal land market transactions are increasingly important, often restricting access to low-income groups;

- Agricultural production systems and access to markets: farming is still the primary activity for the majority of Africa's rural population, but undergoing significant transformations following economic reform in the past two decades, including the decline and in some cases the disappearance of national marketing boards and the related subsidy systems;
- Income and occupational diversification: rural non-farm employment and agricultural activities among urban residents are an increasingly important element of livelihood strategies. Multiactivity at the household or individual level helps decrease vulnerability to shocks and stresses and stabilise incomes which may otherwise vary widely on a seasonal basis. For better-off households, diversification as a cross-sectoral investment can be described as an accumulation strategy;
- Migration: intense population movement has long been a tradition in many parts of Africa. Important issues include changes in migration and mobility patterns and the role of remittances and networks spanning across rural and urban settlements;
- Decentralisation: in many African nations, this process is underway since the 1990s. Although it is far too early to assess its impact, local governments' role and responsibilities have increased considerably, and often encompass both urban and rural settlements.

A focus on rural-urban interactions involves attention to changes in livelihood strategies and to the reasons underlying these changes, which may vary depending on location, wealth, gender, generation and ethnicity. These in turn influence access to assets, which include natural resources such as land and water; labour and human capital (education, skills and health), important for both farm and non-farm activities; financial capital, including access to credit; and infrastructure, including roads, transport and markets. Social assets are especially important, since they often mediate access to material assets. In the context of rural-urban linkages, they include migrant networks and social relations between producers and traders. It is also important to understand intra-household dynamics and the relations between genders and between generations, since these often reveal a great deal about processes of social and cultural transformation.

Farming systems and urban expansion

Demand from urban consumers for high value horticultural produce can stimulate production by small farmers, but, at the same time, the expansion of urban centres often involves competition over the use of essential natural resources such as land and water. Other key elements of farming systems are labour availability, access to credit and other financial assets, and access to markets.

Constraints on access to agricultural land and water

- Demographic pressure is an important reason for land shortages. However, even where land is available, it is often at some distance from settlements and insufficient transport infrastructure can result in high opportunity costs such as crop transport and farmers' time, which can be an important constraint especially for low-income households and households with limited labour;
- Access to land is in many cases restricted by inheritance systems which exclude women and migrants. Secondary rights (sharecropping, tenancy, borrowing) are

important for landless households and individuals, but are declining due to the increase in land value;

- Formal and informal land market transactions have increased opportunities for younger generations and women, but this is limited to wealthier and often urban-based groups who tend to displace under-capitalised small farmers;
- Competition between farming use and urban-related (domestic, industrial and waste dumping) use of natural resources is increasing and the source of latent conflict between rural and urban settlements. Low-income groups are most affected by loss of agricultural land and by limited access to drinking water in urban neighbourhoods, but responsibility for managing natural resources is unclear, especially since the impact of urban use extends beyond municipal boundaries.

Labour availability

- Urban residents investing in commercial farming usually have no time nor family labour available, and demand for waged agricultural labour has increased, especially in peri-urban areas. While this expands the employment opportunities for small farmers, it is often at the expense of own farming;
- Intra-household tensions over farming decision-making and control over resources often results in younger generations moving out of unpaid family farm labour and into non-farm occupations. In the northern Tanzanian case study site, between 30 and 46 per cent of households now rely on waged labourers for family farming and livestock keeping;
- In central Mali, additional migrant labour is secured by under-capitalised horticultural producers in exchange for access to land under secondary rights. This is possible because of the relatively good access to urban markets and the high value of produce, which benefits both landholders and migrants. However, secondary rights offer no security of tenure and are likely to be eroded by urban expansion and the related increase in land value.

Credit and financial assets

- Access to formal credit systems has declined in all three countries due to a combination of mismanagement and liberalisation, which has reduced the capability of producers' cooperatives to offer subsidies and credit as their income is no longer secured. Lack of formal credit is identified by small farmers as a major constraint on production;
- Remittances from migrant household members are a key source of cash, but their investment in agriculture is limited because of increasing demands for cash for education and health expenditure and for the purchase of consumer goods;
- Some NGOs operate credit systems, but their impact is limited and localised. In many cases, local government is also underfunded and has limited access to credit: in southern Tanzania, the requirement to pay upfront for local government services such as tractor hire, makes them inaccessible for low-income farmers.

Access to markets

- Inadequate physical infrastructure is a major constraint in some areas, and affects mainly small farmers. In southern Tanzania, agricultural production for export markets is severely hampered by lack of roads and transport, and small producers

can hardly afford transport costs to farmer cooperatives in designated locations, the only official purchasing points for exporters. Instead they must rely on agents coming to the villages, who offer lower prices;

- Information on market mechanisms, including price fixation and fluctuations, is still insufficient in most locations. In its absence, producers often tend to base their decisions on production costs. Since these tend to be lower when supply is high, it can result in overproduction or gluts in the market, and therefore low market prices;
- Social relations between producers and traders vary, and depend to a large extent on the nature of produce and the distance of markets from the production areas. Export and regional trade are dominated by large, well capitalised operators who usually prefer to deal with commercial farms. Small-scale traders, often women, operating within a limited area and dealing with small farmers who have little access to formal credit, are key players in an informal credit system which involves producers and, in many cases, small urban-based retailers. This system can work for the benefit of all parties when it is embedded in social relations such as kin and ethnically-based networks, which prevent exploitation of the most vulnerable actors in the chain. The system is essentially related to limited networks where quantities traded are relatively small. As a result, financial liquidity is also limited, making the system vulnerable to external shocks and stresses, such as the loss of perishable produce due to insufficient or inefficient storage, processing and transformation facilities;
- Competition from imported goods does not affect horticulture and fresh food producers; however, it is a significant constraint for processors, such as vegetable oil producers in Tanzania and traditional cloth weavers in southeast Nigeria.

Occupational diversification and mobility

Occupational diversification levels are especially high among younger generations, reflecting its dynamic dimension. The increase in rural non-farm employment is usually seen in traditional regional development theory as the outcome of the 'virtuous circle' or rural-urban development, and triggered by agricultural growth. However, in all the case studies locations, smallholder farming is negatively affected by land shortages, limited access to credit and far from perfect markets. While these are all important 'push' factors, 'pull' factors include the increase in non-farm employment opportunities in a number of sectors, such as domestic trade liberalisation in Tanzania, the development or relocation of manufacturing industries in peri-urban areas in southeast Nigeria, and urban growth and the related demand for service workers in Mali. Diversification is often linked to mobility, and its patterns vary according to location, household wealth, gender and generation.

Household wealth and location

- A large number of rural residents engage in non-farm activities and, perhaps more surprisingly, agriculture is an important occupation for a relatively high proportion of urban dwellers. In both town and countryside, farming is the primary occupation for low-income households. However, when second and third occupations are taken into account, wealthier urban and rural groups alike show a significant interest in agriculture, either for household consumption and/or for commercial purposes. Farming as a component of income diversification strategies is thus important for all groups; this underlines the need to ensure low-income and vulnerable groups'

continued access to the relevant assets, even where agriculture as an income source and a primary occupation is in decline;

- Transport is essential for low-income and often unskilled workers to gain access to employment such as domestic service and trade in areas where there is demand from wealthier consumers and employers. In remote locations, non-farm activities such as itinerant petty trade are limited by low incomes affecting demand;
- Non-farm employment opportunities in small and medium-sized manufacturing enterprises and construction sites are concentrated in peri-urban areas; however, these activities often affect access to farming assets such as water and agricultural land, and reduce low-income groups' opportunities to diversify their income sources while retaining a foothold in farming.

Gender and generation

- Traditional divisions of labour along gender lines affect the impact of the opportunities and constraints derived from urban expansion in peri-urban areas. In Mali, men's economic activities are limited by declining access to agricultural land and the down-sizing of the operation of urban and peri-urban factories. Women, for whom access to farmland is traditionally restricted and who dominate small-scale trade, benefit from expanding demand for horticultural products and from their location between rural producers and urban markets;
- Younger generations show higher levels of multiactivity than older ones. This is due in part to emerging non-farm employment opportunities, and in part to the constraints in traditional family farming. These include low economic returns and the expectation to contribute unpaid labour with little participation in decision-making and, for young women, limited access to land through inheritance.

Migration, remittances and social networks across space

Historically, migration has been a key factor in shaping Africa's settlement patterns and households' livelihoods. It is also a central interaction between urban and rural settlements and between rural settlements. Main issues include the changing patterns in the direction, composition and types of movement, the role of remittances for households in home areas and of social networks linking migrants to their home place.

Direction, composition and types of movement

- Between 50 and 80 per cent of rural households have at least one migrant member, and this is not affected by wealth levels. This is because while economic motivations are the main reason for moving, they overlap with socio-cultural expectations of widening one's experience and the desire by younger generations to escape from obligations and control from their elders;
- Although young men remain the bulk of migrants, the independent movement of unmarried women has greatly increased in recent years. This is becoming more socially acceptable, as long as women contribute to their households' finances through remittances;
- For both men and women, migration increasingly involves distant destinations, due to more affordable transport, extensive migrant networks and demand in destination countries. For young women, employment in international tourist resorts and other occupations in the 'entertainment' industry can attract considerable social stigma,

and distance is a way to safeguard their own and their families' reputation. More distant destinations usually mean that migrants are away for long periods of time, and are unable to return home for the farming season, adding to labour shortages in home areas.

- Return migration can inject financial resources and new skills in the local economy, but is generally limited and varies between locations, depending on a number of factors. The first is migrants' success in accumulating capital and skills, which in turn depends largely on educational levels and the income they can secure while away. The second is the infrastructure and opportunities in home areas, with settlements with good road and transport networks and which offer non-farm employment opportunities locally or within commuting distance attracting much larger numbers of return migrants than remote settlements. The third is continued access to local assets such as land, which encourages investment but also provides a safety net to migrants. This is important for both men and women, but the latter are usually excluded from inheriting land, and purchase is only available to a minority.

Remittances and social networks

- Sending remittances is perceived as a moral obligation, as well as a way to maintain claims on assets in home areas. However, the amounts sent have declined over the past fifteen years, despite at the same time becoming an increasingly important source of cash for rural households. A common reason is the increase in employment insecurity and cost of living in urban areas. Unskilled migrants with low educational qualifications often only find employment in the over-crowded urban informal sector, and their remittances are among the lowest;
- Despite the decline in financial support, social links are as strong as ever, and migrants are expected to return to their home areas for specific ceremonies and celebrations. Failure to do so is seen in some areas as a 'social crime';
- As part of these linkages, migrant networks perform important functions in facilitating migration and in channelling support to the wider home community. This includes raising funds for the construction of public facilities such as schools and water points. In southeast Nigeria, the contribution of migrant associations to infrastructural development in rural settlements and small towns has in some cases outstripped public investment, but their role in supporting local socio-economic development is rarely acknowledged, let alone supported by appropriate policies.

The role of urban centres in the development of their surrounding regions

Local governance systems and institutional set-up play an important role in defining the nature of the relationship between urban centres and their surrounding region, although this needs to be situated within the broader context of national and supra-national fundamental changes in social and economic structure. Decentralisation processes are currently underway in several African countries, following the desire to create a more accountable system with better capacities to respond to the needs and priorities of the local populations, and as a result of cutbacks in national governments' budgets and the shifting of some costs and responsibilities away from central government. Improved synergies between local governments, NGOs, local civil society and private sector actors can play a key role in supporting the positive aspects of rural-urban interactions while reducing their negative impacts.

Decentralisation processes

- Support from central government to local government needs to be better defined. Substantial efforts are necessary to improve the capacity of local institutions to carry out their new functions which in Tanzania include needs identification, planning, budgeting and joint implementation with other institutions. Even then, in under-resourced areas it is unrealistic to expect local government to take full responsibility for the provision and maintenance of essential infrastructure such as roads and transport, which constitute a major bottleneck to regional development;
- The relationship between elected local government and traditional authorities can be especially critical in peri-urban areas, where it overlaps with tensions between statutory and customary land tenure systems. The potential for conflict is much higher in areas with low levels of social and political cohesion, showing that in many cases the new unit's boundaries do not reflect social, economic and political realities;
- Mechanisms for negotiation and collaboration between urban, peri-urban and rural local government units need to be developed to deal appropriately with tensions related to competition over the use and management of natural resources, an increasingly potential cause for latent or open conflict.

Service provision

- Following economic reform in the 1980s, public funding to essential services such as health and education, and to infrastructure such as water has declined, while user fees have been introduced. In many African countries, international donor agencies, churches and NGOs have taken over service provision, often concentrating in rural areas on the assumption that this is where poverty is concentrated. The result is that residents of low-income urban neighbourhood often have less access to facilities than rural residents. A broader approach to encompass both rural and urban areas would be more effective in targeting low-income groups;
- Migrant associations can play an important role in funding community-level initiatives, as in southeast Nigeria. A better synergy between these often neglected civil society actors and the public sector can help improve infrastructural development;
- Transport is a key service undergoing change, with only Nigeria providing subsidies from state and local government. In Mali and Tanzania, high transport costs are identified as a major bottleneck by rural residents, together with insufficient processing and storage facilities. This in turn makes locally processed goods vulnerable to competition from cheaper exports. Local government can develop a regulatory framework and provide incentives to private sector investors in these areas, but this, again, requires improved capacity and legitimacy.

Key issues for policy

Whether as a result of increasing vulnerability or as a consequence of new opportunities – and more likely as the combination of both – the increasing spatial and occupational complexity of African livelihoods needs to be recognised. Policy interventions should concentrate on improving access to assets with the aim of expanding livelihood options, rather than assuming that households are spatially homogenous and that individuals engage in one type of activity only.

Moreover, the variations in the nature and scale of rural-urban interactions and livelihood patterns both between and within different locations underline the necessity to tailor policies to local circumstances and to the specific needs and priorities of different groups, especially poor and vulnerable ones.

Beyond this, some assets are especially important for low-income and vulnerable groups. They include natural resources, since farming is still a key component of a diversified basket of income sources. They also include education and skills, which are critical for access to non-farm employment, either local or involving migration. Credit is a significant bottleneck for farmers. Its provision by small traders operating within social networks needs to be supported by reducing the risks associated with poor transport, storage and processing facilities, which affect the whole supply chain including producers and consumers.

While local government will play an increasingly important role in regulation, planning and implementation, better synergy with other actors, from international donor agencies to local associations, including migrant associations, and private sector actors, can only improve the positive links between urban centres and their surrounding regions. This is important for both service provision and for local economic development.