TECHNICAL

Briefing

Learning from urbanization in the BRICS

INTRODUCTION

The economic motors of development are shifting from the urbanized North towards the cities of the urbanizing South, and most famously those of the 'BRICS': Brazil, Russia, India, China and South Africa. The BRICS provide some inspiring examples of how to seize the opportunities that urbanization can provide. However, all have gone through difficult periods when they tried to resist the predictable movement of people into their cities, or steered people or enterprises to inappropriate urban locations. Several of the BRICS bear heavy burdens from past failures to accommodate urban population growth equitably and efficiently. To avoid such burdens, cities and nations need to plan proactively for urban growth, making use of both markets and planning tools, and engaging with all sectors of society, including the economically and politically weakest.

URBAN TRANSITIONS IN THE BRICS

Even the BRICS show enormous variation in urbanization's patterns and processes. Figure 1 (overleaf) shows how Brazil, Russia and South Africa were comparatively early urbanizers. By 1950 roughly 40 per cent of their populations lived in urban areas. Since then, Brazil has urbanized fastest; South Africa initially urbanized very slowly and then picked up in the 1990s as apartheid ended; while Russia urbanized steadily until the dissolution of the Soviet Union, and has since hardly urbanized at all. China and India had far less urbanization in 1950, and they urbanized slowly until the 1980s, when India began to increase somewhat, and China's urbanization took off.

Rapid urbanization in the BRICS has generally accompanied economic growth and a shift out of agriculture, with sudden declines associated with economic and social disruption. Nevertheless, governments have been ambivalent about urbanization, even causing some of the interruptions (South Africa during Apartheid and China during the Cultural Revolution). Each also illustrates different lessons about the opportunities and risks of urbanization.

A SAMPLING OF LESSONS

Brazil's reluctant urbanization and the emergence of favelas. Brazil's world-famous favelas show how failing to accommodate growing urban populations can lead to enduring social inequalities. Brazil's early urbanization rate of around 2.5 per cent a year in the early 1950s combined with a rapid national population growth of 3.1 per cent to create explosive urban population growth of 5.6 per cent (Figure 2a).

Brazil feared that poor rural migrants would overwhelm the cities. The government failed to plan for rapid urban growth, but that did not slow its pace. Poor planning did, however, contribute to a very unequal urbanization, with large segments of the population inhabiting poorly located and ill-served informal settlements. Many inhabitants have done amazingly well under the circumstances, but these circumstances have historically been atrocious — hazardous locations, enormous barriers to service delivery, bad relations with local authorities, and so on.

In recent decades, pioneering approaches have emerged: Porto Alegre with participatory budgeting, Curatiba with sustainable travel, and various cities with condominial sewerage. These and other innovations have gained international renown. The national government has

introduced some of the most inclusive urban legislation, as exemplified by its ambitious City Statute. Nevertheless, the problems of the divided city, stemming from past urban policies, remain a huge challenge. In retrospect, a more inclusive and proactive approach to rural-urban migration and urban growth would have been fairer at the time and very beneficial in the long run.

China's ardent urbanization and rapid economic growth.

China went through periods when urbanization was actively and successfully resisted, at enormous social and economic cost. The anti-urban Cultural Revolution of 1966-1976 spans the lowest part of the urbanization trough in Figure 2b, and represents a particularly difficult time in China's history. Over the last two decades, however, China has sustained a higher rate of urbanization than Brazil ever achieved. Meanwhile, its low national population rate has kept urban population growth comparatively low. China has managed to enable, and even spur, tremendous economic successes through this urbanization, though not without considerable social and environmental costs.

China's economic transformation, which began as a rural experiment, soon became urban, involving first a string of coastal cities, then larger urban regions, then inland cities. These innovative cities were soon bringing vast quantities of capital from around the world together with low-wage workers from China's agricultural regions. The central government progressively loosened controls on private investment within the city, and on temporary rural migration into the cities. Economic powerhouses arose incrementally from locally driven but centrally sanctioned urban experimentation. City governments were given increasing powers and put under enormous pressure to raise economic production. A dominant model emerged of entrepreneurial city bureaucrats taking lead roles in land conversions. They oversaw the transformation of low value urban or rural land into serviced plots whose long term leases were sold at near-market prices to real-estate developers, or at lower prices to investors promising industrial or commercial establishments. This land dealing helped government officials meet their targets, but provided ample opportunities for very lucrative and hard to control corruption. Eased migration controls provided economic opportunities for rural migrants, but the household registration system continued to deny most of them the rights of urban citizens.

China's stunning economic success highlights the importance of achieving moderately efficient urbanization for economic growth, but it is based on policies other countries would struggle to replicate, and has brought unenviable environmental costs and social inequalities. China has recently tried to reduce these detractions while maintaining rapid economic growth. But it has proved difficult to challenge the existing model, whose success is based on closely aligning local authorities' official and unofficial interests with market pressures, even when that causes environmental damage or amplifies inequalities. Urban experimentation could still hold the key to progress on social and environmental agendas, but local alliances of entrepreneurial bureaucrats and developers are unlikely to drive these agendas.

Russia: cities in the wrong places.
Russia's urbanization history shows how long-term economic growth needs people and economic enterprises to move to productive urban locations — not just to anywhere in any cities. This is a difficult process to direct unless markets are allowed to play a larger role than permitted by the Soviet authorities.

Early urbanization was associated with economic growth, especially between the world wars, when Russia was among the most rapidly urbanizing and industrializing countries. From World War II up to the breakup of the Soviet Union in 1991 the rate of both urbanization and urban population growth slowly declined, and the Soviet economy grew more slowly. However, despite various traumas of the Soviet era, it was the dissolution of the Soviet Union that brought on the most evident demographic and economic collapse (Figure 2c). Russia's per capita income temporarily fell by more than a third, and urban populations actually declined for over a decade.

From an economic, and especially from a market perspective, the Soviet system had located many urban activities and populations in the wrong places. Economic efficiency considerations — for example, minimizing industry supply costs — were often ignored in favour of military and political objectives. People's locational preferences were largely ignored. Non-market decision-making left many cities exposed at the end of the Soviet era. The need for spatial restructuring has brought heavy social and economic costs, adding to the traumas that have accompanied the dismantling of the Soviet central planning system. Populations have shifted towards newly vibrant cities and service centres in the south and west, and away from industrial cities with few amenities in the far north and east. This may be the right response

Figure 1. Urbanization levels of BRICS 1950-2010.
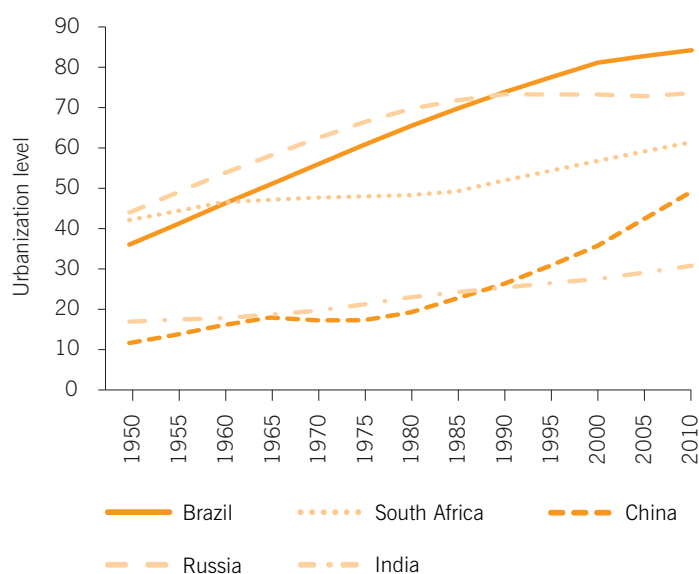
Figure 2. Urbanization rates and urban population growth rates for each of the BRICS, between 1950 and 2010, based on United Nations Population Division statistics.[2]
The urbanization rate is the rate at which the urban population share is increasing. The difference between the urban population growth rate and the urbanization rate is the country's population growth rate. China is urbanizing at almost three times the rate of India, but its urban growth rate is only slightly higher than India's, because its overall population growth rate is low.
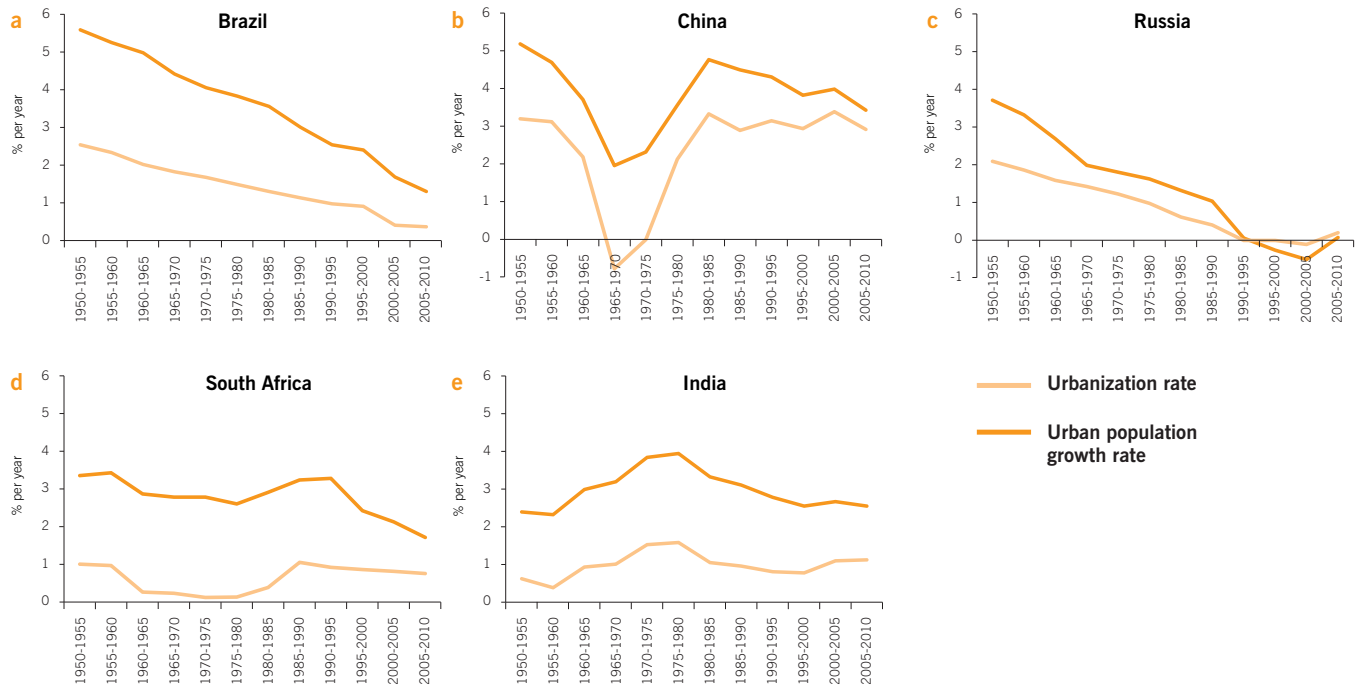
economically, but has involved considerable dislocation. Cities that produced goods for the military-industrial complex, or consumer goods that were protected from competition, have suffered enormously, even as those with natural resource bases or other strengths in the market economy have thrived.

South Africa's apartheid urban controls and its fragmented cities. South Africa's Apartheid system was an extreme lesson in the dangers of exclusionary urban policies, particularly when combined with overt discrimination against particular social groups.

In the late 19th and early 20th centuries, a distinctive racially segregated urban development was already in place. It had responded to economic demands for cheap labour, but political aversion to black rural-to-urban migration. After the Second World War, politics got the upper hand, imposing increasingly draconian controls. These disrupted and oppressed the lives of black residents, forced them to urban peripheries, and also fractured cities' physical form. Separate residential areas were created for different races, with blacks confined to monofunctional dormitory townships on the edge of cities and towns, far from jobs and amenities.

At the height of Apartheid, urbanization rates dipped nearly to zero (Figure 2d). Since Apartheid ended, urbanization has rebounded, but the inherited social and economic divisions have proved intractable. Even the post-1994 governments have taken an ambivalent and reactive

approach to urbanization, one that is inadvertently hostile to those forced to inhabit informal settlements and backyard shacks. The low density, fragmented form of South African cities has also had harmful social, economic and environmental consequences, some of which are only beginning to be addressed. It imposes additional barriers to employment for the poorest communities, adds to the cost of bulk infrastructure provision and public transport, and fosters carbon-emitting private transport.

South Africa's historic experience shows how the processes of urbanization and industrialization are politically mediated and may not automatically improve the livelihoods of rural migrants. People moving to cities may have to organize themselves to press for better living and working conditions through access to urban labour markets and well-located land on which to settle.

The creation of constitutional rights for the poor has helped to promote their cause, but has not always been backed by political will and sufficient government resources to meet people's basic needs for electricity, water and sanitation. Equally important are determined city-level leadership and investment plans that integrate fragmented cities more effectively, boost jobs and livelihoods, and work with poorer communities to improve essential services.

India: ambivalence to urbanization offers an uncertain future. India is less urban than the other BRICS, and its ambivalent attitude to urbanization could impede economic progress, at least for the low-income groups who

find it increasingly difficult to secure a place in India's cities. The size of India's still-growing population that has to find sustenance in rural settings is daunting. India's current challenges illustrate the importance of taking the rural implications into account when designing urban policies.

There is disconcerting evidence, from both changing urban policies and changing migrant flows, that India's major urban centres are becoming less hospitable and less accommodating to the most economically deprived. Restricting unskilled migrants removes one of the conventional economic mechanisms for reducing rural-urban disparities over time. A larger rural population keeps rural wage rates low, while a smaller population of rural-urban migrants reduces urban-rural remittances. Moreover, in the larger Indian cities aspiring to World City status, efforts to attract investment are linked to tighter governance and reinforced rule of law, but often in ways skewed in favour of the better off, excluding or segmenting those who cannot afford to meet the rising standards. Smaller urban centres are more inclusive, but only receive a small share of infrastructure investment, even from the public sector.

This is a particularly critical time for India's urban policies as they will help to determine whether economic growth is maintained, who benefits, and what the environmental consequences will be. The Indian Government has initiated several important programmes intended to support equitable and efficient urban development, including the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) and Rajiv Awas Yojana (RAY). India has also pioneered civil society and grassroots efforts to improve conditions for deprived urban dwellers, including the partnership between the Society for the Promotion of Area Resource Centres (SPARC), Mahila Milan and the Indian National Slum Dwellers Association. To meet its urbanization challenge, India must address not only existing urban poverty, but create cities that can accommodate rapid urbanization and give even the poorest rural dwellers a fairer share of the benefits of economic growth.

NO SINGLE MODEL, BUT URBANIZATION NEEDS MORE AND BETTER PLANNING AND MARKETS

Despite the BRICS' very different characters, their combined experiences confirm the immense importance of finding efficient and equitable ways of accommodating urbanization and urban population growth. While urbanization processes are extremely complex, and policies need to be tailored to local contexts, some simple generalizations are quite robust.

Development typically involves the spatial concentration of economic activity and of people. Internal migration to urban places where people and their enterprises can be, or can learn to become, more productive is still an integral part of economic development in most of the world. Attempts to prevent people from moving to cities are likely to exacerbate inequalities associated with economic development while jeopardizing further development.

All too often, rapid urban growth occurs with little forward planning, poorly developed land markets, and with grassroots organisation actively discouraged. Valuable land is controlled by enterprises or by public agencies seeking political advantages or speculative gain, at the cost of efficient or equitable land allocations. Land remains unserviced, even when the necessary infrastructure would add far more value than it would cost. The poorest in society struggle to find affordable shelter, are excluded from formal housing by dysfunctional markets and regulations designed in their name, and are harassed for building their homes and communities in environmentally hazardous and legally restricted locations. Productive enterprises, large and small, also find it difficult to find appropriate places to operate, at least without pushing legal and social boundaries. Nevertheless, many people and enterprises want to move to burgeoning cities — and that is a testament to the advantages of urban agglomerations. Improving the urbanization process remains key to good economic, social and even environmental development.

NOTES

■ [1] This briefing draws on the following five reports, all of which are part the Urbanization and Emerging Population Issues series, produced by IIED and UNFPA, London and New York: Becker, C. M., Mendelsohn S. J., Benderskaya, K. 2012. *Russian urbanization in the Soviet and post-Soviet eras*. Kundu, A. 2011. *Trends and processes of urbanization in India*. Martine, G., McGranahan, G. 2010. *Brazil's early urban transition: what can it teach urbanizing countries?* Turok, I. 2012. *Urbanization and development in South Africa: Economic imperatives, spatial distortions and strategic responses.* Yeh, A.G.O., Xu, J., Liu, K. 2011. *China's post-reform urbanization: retrospect, policies and trends.* This briefing also draws on a further study that is in preparation, focusing on how China's approach to urban development has at once underpinned China's economic success, and constrained its attempts to achieve more socially and environmentally harmonious development. ■ [2] United Nations Population Division 2012. *World Urbanisation Prospects: The 2011 Revision (POP/DB/WUP/Rev.2007).* United Nations Department of Economic and Social Affairs, New York.