

RURAL VERSUS URBAN AREAS

MYTH 7 (semi-myth): “Most poverty is in rural areas”

This is not a myth globally since most poverty is still in rural areas. For most African and many Asian nations, most poverty is in rural areas. But it is no longer so in Latin America (or Europe and North America). Nor does the fact that there is more poverty in rural areas mean that urban poverty should be ignored – and an increasing proportion of those who suffer absolute poverty worldwide live in urban areas.

During the late 1960s and early 1970s, there was a recognition among international agencies that most of their projects were bringing little or no benefit to poor rural dwellers. At this time, three quarters of the population of low and middle income nations were in rural areas. Quite rightly, new priorities were set which gave agriculture and rural livelihoods more importance. However, this also resulted in an ‘anti-urban’ sentiment which meant that urban poverty was ignored or was assumed to be insignificant. In addition, the key role that well-governed urban centres had in supporting more prosperous economies (see above) was ignored. This continues to the present, even though the urban population in Africa, Asia and Latin America has grown by 200 percent since 1970 while the rural population has grown by only 44 percent.

The scale of the urban population within low and middle income nations is often forgotten. For instance, Africa is still assumed to be overwhelmingly rural but two in five Africans now live in urban areas. Africa now has a larger urban population than North America. It has twice as many children living in urban areas as North America and a large proportion of these children live in very poor conditions in homes lacking provision for water, sanitation and drainage with families who lack the means to provide them with sufficient food. Two fifths of Asia’s population is urban and a large proportion suffers severe deprivation. In no way does this imply the need for a lower priority to poverty reduction in rural areas. But it does imply a need for more consideration of how urban poverty can be tackled and – as importantly – how the quality of governments in urban areas can be improved to ensure that increased levels of urbanization are not associated with increased levels of urban poverty. In addition, as discussed in the next section, successful agricultural development and urban development often go together.

Urban populations are widely considered by development specialists to be better off than rural populations – healthier, better housed, better educated and with access to a wider range of services and opportunities. Aggregate statistics comparing ‘rural’ and ‘urban’ populations support this. Indeed, rural-urban differences in incomes or in access to secondary schools help to explain the long-term trend towards more urban societies, as rural dwellers move to urban areas in response to better opportunities or chances of survival. But aggregate statistics can be misleading. The fact that most middle and upper income groups live in urban areas helps ensure that average urban incomes are higher than average rural incomes and that the proportion of people with services is higher in urban areas; it does not mean that the poorest 30-50 percent of the urban population are more likely to avoid malnutrition or get access to basic services than the poorer rural population. Urban dwellers living within 50 metres of a hospital or 100 metres of a water pipe often have as little chance of using these as rural dwellers who are 20 kilometres from hospitals or water mains; proximity does not mean access.

Certainly in India there is more poverty in rural areas than in urban areas. But forty percent of India's urban population of nearly 300 million people are classified as poor. More than half of poor urban children are underweight and/or stunted; a high proportion are severely undernourished – 23 percent in weight-for-age and 30 percent in height-for-age. More than 80 percent of poor children in urban areas have anaemia. Half of the urban poor have no access to tap water and a high proportion have no toilets they can use so have to defecate in the open.⁴⁵

Statistics on infant or child mortality rates are often used to show an 'urban advantage'. But care is needed in interpreting these because of large differentials between different urban areas and different districts in urban centres. Those living in tenements or squatter settlements in the largest cities may have infant or child mortality rates as high as those suffered by poor rural dwellers. Infant or child mortality rates can vary by a factor of 20 or more between different parts of a city. And in many nations, infant or child mortality rates in urban areas remain very high. For instance, many low-income countries still have urban child mortality rates of between 100 and 200 per 1000 live births – including Chad (190 in 1996), Malawi (194 in 1992), Mali (172 in 1995), Mozambique (169 in 1997), Zambia (174 in 1996) and Haiti (135 in 1994). In some nations where data from surveys were available for different years, child mortality rates in urban areas were found to have increased – for instance in Madagascar when comparing 1992 to 1997, for Mali when comparing 1987 and 1995, for Zambia when comparing 1992 and 1996 and for Zimbabwe when comparing 1988 and 1992. Many middle income nations still have urban child mortality rates of 50 to 100.⁴⁶

Why levels of service provision in urban areas are over-stated:⁴⁷ Urban populations are often said to enjoy large advantages over rural populations in access to water and sanitation. Yet it is common for half or more of a city's population to be unserved by water taps in their home or yard and for more than three quarters to have inadequate provision for sanitation. Less than 10 percent of the population in most African cities have provision for sanitation that is safe and convenient. Many cities and most smaller urban centres have no sewers or any other means of public provision for sanitation. Probably as many as one hundred million urban dwellers in low and middle income nations have no toilet facilities they can use (or afford) and have to defecate on open land or into scrap paper or plastic bags.⁴⁸

Why, then, do official statistics suggest that provision for water and sanitation is so much better in urban areas than in rural areas.⁴⁹ One returns to issues of definition. Assessments as to who in the world has 'improved' provision for water and sanitation use the same definition for urban and rural areas. But having a water tap within 100 metres is not the same in a rural settlement with 100 persons per tap and a squatter settlement with 5,000 people per tap. Having access to a pit latrine is not the same in a rural setting where it is used by one family and can be sited to avoid contaminating water sources, and urban settings where 50 households share it and where there is so much faecal matter that is very difficult to protect water sources from contamination.

⁴⁵ UNICEF (2001), *The Young Child from Urban Poor Communities in India*, UNICEF India Country Office.

⁴⁶ These figures are drawn from an analysis by Mark Montgomery (Population Council) of 86 Demographic and Health Surveys held in 53 different nations between 1986 and 1998.

⁴⁷ This draws from Hardoy, Jorge E., Diana Mitlin and David Satterthwaite (2001), *Environmental Problems in an Urbanizing World: Finding Solutions for Cities in Africa, Asia and Latin America*, Earthscan Publications, London, 470 pages.

⁴⁸ UN-Habitat, *The State of Water and Sanitation in Cities* (provisional title), Earthscan Publications, due for publication in 2003.

⁴⁹ See WHO and UNICEF (2000), *Global Water Supply and Sanitation Assessment, 2000 Report*, World Health Organization, UNICEF and Water Supply and Sanitation Collaborative Council, 80 pages.

Many urban communities have so little space per person that there is no room to fit toilets into each person's home.

At present, the fact that most of the urban population of Africa, Asia and Latin America have access to 'improved' water and sanitation is only true because the standards for 'improved' provision are set so low. If 'adequate' water supply meant a water tap within or next to each home with a safe and regular supply, most of the urban population of Africa and Asia and a large part of the urban population in Latin America would not meet the standard. If the standard for sanitation was "easy access to a good quality toilet and handwashing facilities with provision for the safe disposal of excreta", most of the urban population of Africa and Asia would lack it.

Why levels of urban poverty are under-estimated: The ways in which governments and international agencies define poverty obviously influences how many 'poor people' there are and how poor they are. Most governments and international agencies use definitions of poverty that are unrealistic or inappropriate for urban populations for two reasons:

1. They use income-based poverty lines which set the poverty line too low in relation to the cost of living in urban areas, especially in regard to the cost of non-food essentials such as the cost of transport to and from work, housing, access to water and sanitation, fuel, health care and keeping children in school.
2. Most official poverty definitions give little or no attention to non-income aspects of poverty such as very poor quality, insecure housing, lack of access to water, sanitation, health care and schools, absence of the rule of law and undemocratic, unrepresentative political systems which allow poorer groups no voice or influence. It is ironic that governments and international agencies talk about the proportion of urban dwellers 'living in poverty' but no account is taken of living conditions when defining and measuring poverty.

Most nations have a single income-based poverty line that is used in rural and urban areas. This implies that the income needed to avoid poverty is the same everywhere (whether in large cities, smaller urban centres or rural areas). But the cost of living (or of many basic needs or the cost of avoiding poverty) is much higher in large cities. Income-based poverty lines are usually tied to the cost of a minimum food basket with 15 to 30 percent added for 'non-food' essentials. This implies that the cost of non-food essentials is not very high. But many empirical studies have shown the high costs paid by particular urban groups (or those living in particular settlements) for:

- *Public transport* (for getting to and from work and essential services). Expenditures are often particularly high for poorer groups living on the periphery of the city (they live there because it's the only place they can find land sites on which they can build housing). Or they appear low because poorer groups walk very large distances to and from work because public transport is too expensive.⁵⁰ Many low-income households keep expenditures on transport low by living in central locations – but to do so, they put up with very poor conditions. In Bombay/Mumbai, one of the key reasons why so many people live in very small shacks constructed on pavements is that this allows them to walk to the places

⁵⁰ See for instance Huq, A.T., M. Zahurul and Borhan Uddin (1996), "Transport and the urban poor" in Nazrul Islam (ed.) *The Urban Poor in Bangladesh*, Centre for Urban Studies, Dhaka, 123 pages for various cities in Bangladesh, and Barter, Paul A. (1999), "Transport and urban poverty in Asia. A brief introduction to the key issues", *Regional Development Dialogue*, Vol. 20., No. 1 (Spring), pages 143-163. for central Bombay/Mumbai and Jakarta

where they can earn their income. Most cities have overcrowded central districts (with tenements or cheap boarding houses) because of the large numbers that cannot afford the transport costs of living in less central but less overcrowded districts.⁵¹

- *Schools* (school fees and associated costs, including getting to and from school). Even where entry to schools is free, other costs such as uniforms, school meals or exam fees make it expensive for poor urban households to keep their children at school.⁵² Low-income groups may also bear the cost of sending their children to 'private' schools because they cannot get places in government schools. In Orangi, Karachi's largest informal settlement (with close to a million inhabitants), a high proportion of the population sent their children to private schools because there were so few government schools.⁵³
- *Housing* (for rent or, if living in a self-built house, because of the cost of the land site for the house and the cost of building materials). Many tenant-households spend more than a quarter of their income on rent.⁵⁴ Households who rent rooms or who live in illegal settlements often pay particularly high prices for water and other services.⁵⁵
- *For access to water - and in some instances to sanitation and garbage collection.* For many urban households who have no piped water supplies, payments to water vendors often represent 10 percent and sometimes 20 percent or more of household income.⁵⁶ Many urban households also have to pay for garbage collection and for access to latrines. The cost of each family member using a public latrine just once a day can represent a 5-10 percent of total household income.⁵⁷

⁵¹ Hardoy, Jorge E. and David Satterthwaite (1989), *Squatter Citizen: Life in the Urban Third World*, Earthscan Publications, London, UK, 388 pages

⁵² See Kanji, Nazneen (1995), 'Gender, poverty and structural adjustment in Harare, Zimbabwe', *Environment and Urbanization*, Vol.7, No.1, April, pp. 37-55.

⁵³ Orangi Pilot Project (1995), NGO Profile: Orangi Pilot Project, *Environment and Urbanization*, Vol.7, No.2, October, pp. 227-236

⁵⁴ See for instance Barbosa, Ronnie, Yves Cabannes, and Lucia Moraes (1997), "Tenant Today, Posseiro Tomorrow" *Environment and Urbanization* Vol 9, No 2, pages 17-41; UNCHS (1993), *Support Measures to Promote Rental Housing for Low Income Groups*, United Nations Centre for Human Settlements, Nairobi. HS/294/93E, and Richmond, Pattie (1997) 'From tenants to owners: experiences with a revolving fund for social housing', *Environment and Urbanization* Vol 9, No 2, pages 119-139.

⁵⁵ See for instance Rakodi, Carole and Penny Withers (1995), 'Housing aspirations and affordability in Harare and Gweru, a contribution to housing policy formation in Zimbabwe', *Cities*, Vol 12 No 3, pages 185-201.

⁵⁶ See for instance Cairncross, Sandy (1990), 'Water supply and the urban poor', in Jorge E. Hardoy, Sandy Cairncross and David Satterthwaite (Editors), *The Poor Die Young: Housing and Health in Third World Cities*, Earthscan Publications, London, pages 109-126; Devas, Nick and David Korboe (2000), 'City governance and poverty: the case of Kumasi', *Environment and Urbanization*, Vol 12, No 1, pages 123-135; Ghosh, A., S.S. Ahmad and Shipra Maitra (1994), *Basic Services for Urban Poor: A Study of Baroda, Bhiwara, Sambalpur and Siliguri*, Urban Studies Series No. 3, Institute of Social Sciences and Concept Publishing Company: New Delhi, 305 pages; and Aegisson, Gunnar (2001), *Building Civil Society: Starting with the Basics*, One World Action, London, 32 pages.

⁵⁷ See for instance the case of Kumasi described in Devas, Nick and David Korboe (2000), 'City governance and poverty: the case of Kumasi', *Environment and Urbanization*, Vol 12, No 1, pages 123-135; Burra, Sundar and Sheela Patel (2002), *Community toilets in Pune and other Indian Cities*, PLA Notes; Special Issue on Participatory Governance, IIED, London.

- *Perhaps for food if food is more expensive* (especially for urban households who have no possibility of growing any food and/or raising livestock).⁵⁸
- *On health-care*, especially if no public or NGO provision is available and private services have to be purchased. For instance, a study in a 'slum' area in Khulna, Bangladesh, highlighted the very large economic burden caused by poor health associated with poor quality housing – and how the economic cost in terms of income lost from days off work and from medical expenses was greater than the cost of improving the infrastructure to eliminate the health problems.⁵⁹ Various studies in cities have shown the high proportion of total household income spent on health care.⁶⁰ The expenditures on health care by low income groups is often not an indicator of the income they need for health care as they cannot afford to pay for the treatment they need or to purchase the most appropriate medicines.
- *For energy* (including fuel for cooking and heating water and, where needed, space heating and electricity).⁶¹
- *For child-care* (where all adult members have to work and child-care is needed but there are no low-cost or no-cost solutions - although often this difficulty is solved through reciprocity at community level. It is also a difficulty often solved through leaving young children unattended at home (even locked into homes) or leaving siblings in charge of the very young, with all the attendant risk this brings.

Many low-income urban households have other costs that go unrecognised by those who define income-based poverty lines, including payments to community-based organizations, and the payment of fines (for instance for illegal street vending). The cost of funerals can be particularly onerous in areas where there is high child mortality or high adult mortality (for instance where the incidence of AIDS is particularly high). Various studies have shown how many of the urban poor spend a significant proportion of their income on debt repayments.⁶²

⁵⁸ The cost of food staples may be higher in urban than in rural areas; World Bank (1999), *Entering the 21st Century: World Development Report 1999/2000*, Oxford University Press, Oxford and New York, 300 pages.

⁵⁹ Pryer, Jane (1993) 'The impact of adult ill-health on household income and nutrition in Khulna, Bangladesh', *Environment and Urbanization* Vol. 5, No. 2, October, pages 35-49.

⁶⁰ Bigsten, A. and Steve Kayizzi-Mugerwa (1992), 'Adoption and distress in the urban economy: a study of Kampala households', *World Development*, Vol. 20, No. 10, pages 1423-1441; Ghosh, A., S.S. Ahmad and Shipra Maitra (1994), *Basic Services for Urban Poor: A Study of Baroda, Bhilwara, Sambalpur and Siliguri*, Urban Studies Series No. 3, Institute of Social Sciences and Concept Publishing Company, New Delhi, 305 pages.

⁶¹ See Bigsten and Kayizzi-Mugerwa 1992 and Ghosh, Ahmad and Maitra 1994 above; also Dinye, Romanus D. (1995), 'A gender sensitive situation analysis of the urban poor, a case study in Kumasi, Ghana', *Dialog* Vol. 44, pages 34-37.

⁶¹ The lowest income households in Dhaka were found to be spending 10 percent of their income on fuel - Islam, Nazrul, Nurul Huda, Francis B. Narayan and Pradumna B. Rana (eds.) (1997), *Addressing the Urban Poverty Agenda in Bangladesh, Critical issues and the 1995 Survey Findings*, The University Press Limited, 323 pages. Other studies showing the costs of energy being a significant proportion of expenditures for low income groups include Government of Mozambique, Ministry of Planning and Finance, Eduardo Mondlane University and the International Food Policy Research Institute (IFPRI) (1998), *Understanding Poverty and Well-being in Mozambique: The First National Assessment (1996-97)*, Grootaert, Christiaan (1996), *Analysing Poverty and Policy Reform: The Experience of Côte d'Ivoire*, Avebury, Alderhot, 198 pages; and Ghosh, A., S.S. Ahmad and Shipra Maitra (1994), *Basic Services for Urban Poor: A Study of Baroda, Bhilwara, Sambalpur and Siliguri*, Urban Studies Series No. 3, Institute of Social Sciences and Concept Publishing Company, New Delhi, 305 pages

⁶² See for instance CARE/Bangladesh (1998), *Urban Livelihood Security Assessment in Bangladesh, Volume 1: Main Report*, edited by Phil Sutter and Chris Perine, 80 pages; Amis, Philip and Sashi Kumar (2000), 'Urban economic growth, infrastructure and poverty in India: lessons from Visakhapatnam', *Environment and Urbanization*, Vol 12 No 1, pages 185-197; and Kwon, Soon-Won (1998), 'National

If poverty lines were based on the real cost of avoiding poverty in each urban area, the proportion of urban dwellers with below poverty-line incomes would increase dramatically. Yet even with inappropriate poverty lines, it is common for between a third and half of a nation's urban population to have incomes below the official poverty line; and in many cases more than half.⁶³

The many studies showing the high costs paid by low income dwellers for non-food essentials in particular cities suggest that the World Bank's international poverty line of US\$1 per person per day is completely inappropriate. This poverty line implies that the income needed to avoid poverty is not only the same in all locations within a country but also the same across countries (when adjusted for purchasing power parity). Its use results in under-estimates of the scale of urban poverty since the income needed to avoid poverty is much higher than US\$1 a day in most large and/or relatively prosperous cities. In some cities, US\$1 a day would not cover the cost of a households' income-earners going to and from work. Or of the rent they have to pay for their shack or room in a tenement. For some low income communities, it would hardly cover the cost of water. And if the US\$ 1 per day poverty line is valid in nations stretching from the poorest Asian and African nations to middle income nations such as Mexico and Brazil, then it should also be valid for high income nations. But how far would US\$1 per person per day go in New York or London in paying for accommodation, food, health care, etc.

Most international agencies are still reluctant to recognize that many aspects of urban poverty are different from those of rural poverty; the same criteria cannot be used to define and measure them – see Box 2. The World Bank's 2001 *World Development Report* on "Attacking Poverty" refused to recognize this, despite the fact that the Bank has a larger and longer experience in urban development than most agencies and many staff knowledgeable on urban issues. None of the 'urban' characteristics in Box 2 are exclusively urban - for instance many poor rural dwellers are at risk of eviction and face serious occupational health and safety risks (from farm equipment and agricultural chemicals). Many urban areas do not have all the characteristics noted in the box. As discussed below, many households draw income from both rural and urban livelihoods. But Box 2 is a reminder that urban contexts are generally different from rural contexts and need different approaches if 'development' is to strengthen the economies of lower income nations and improve conditions for their lower income groups.

profile of poverty", in *Combating Poverty: the Korean Experience*, United Nations Development Programme (UNDP), Seoul.

⁶³ Jonsson, Åsa and David Satterthwaite (2001), *The limitations of income based-poverty lines*, Paper prepared for the Panel on Urban Population Dynamics, Committee on Population, National Research Council/National Academy of Sciences, Washington DC; Tabatabai, Hamid with Manal Fouad (1993), *The Incidence of Poverty in Developing Countries; an ILO Compendium of Data*, A World Employment Programme Study, International Labour Office, Geneva, 105 pages.

Box 2: Characteristics of urban areas which generally distinguish them from rural areas in low and middle-income nations⁶⁴

Greater health risks in urban areas if provision for infrastructure, services and waste management is absent – because of higher concentrations of people, enterprises, vehicles, and their wastes BUT **greater capacity for management of health problems and reduced health risks** when there is competent local government – because of economies of scale/proximity in provision of basic infrastructure and services, and higher capacity to pay by households and enterprises.

A different range of occupational health and safety risks – e.g. exposure to industrial chemicals and wastes, dust, dangerous machinery, excessive heat. Particular groups facing high risks e.g. waste-pickers.

Greater vulnerability to 'natural' disasters for many urban dwellers because the only land to which they can get access for housing is at high risk from floods, landslides, earthquakes.....

Greater reliance on cash income for food, fuel, water, housing (or land on which it can be built), access to sanitation, building materials, transport and waste disposal – especially in the larger or more economically successful cities. Less reliance on access to natural resources for subsistence/livelihoods.

Greater vulnerability to price rises or falls in income (as more necessities have to be paid for); less possibility of subsistence production or foraging to compensate.

Greater reliance on housing as an economic resource; in terms of location (poor groups often live on dangerous sites because it provides better or cheaper access to income-earning opportunities); as an asset (for owners, even if ownership is uncertain); as an income earner (renting rooms, space for household enterprise).

Greater reliance on illegal solutions; a higher proportion of households live on illegally occupied land, or illegal subdivisions, tapping piped water and electricity networks illegally. There is also a greater risk of eviction from one's home. The scale of forced evictions and the extent to which forced eviction is common for low-income urban dwellers is often not appreciated. A review of 40 eviction cases between 1980 and 1993 found that eight involved more than 100,000 persons; the largest was the 720,000 people evicted in Seoul, South Korea in preparation for the Olympic Games.⁶⁵ This was not a one time event; from 1960 and 1990, 5 million people were evicted from their homes in Seoul, many several times, often from sites provided after previous evictions.⁶⁶

More diverse, and more transient populations in many cities or particular city districts, which can weaken the basis for co-operative action, especially in areas with cheap rental accommodation BUT **greater scope for joint action**, community mobilization and negotiation with government for infrastructure and services, especially within democratic structures.

Different forms of gender discrimination and of children's roles in household economies. There may be less bias against girls' entry to schools and single women/widows working.

Greater potential impact of 'good' local government because of economies of scale/ proximity in provision of infrastructure and basic services, and higher capacity to pay BUT **greater potential impact of 'bad' government** on access to employment, land and basic services through rules, regulations and institutional structures, with large potentials to impoverish if misapplied e.g. large scale evictions, harassment of hawkers and squatters, corruption, contravention of people's civil and political rights.

⁶⁴ Jonsson, Åsa and David Satterthwaite (2001), *The limitations of income based-poverty lines*, Paper prepared for the Panel on Urban Population Dynamics, Committee on Population, National Research Council/National Academy of Sciences, Washington DC.

⁶⁵ Audefroy, Joël (1994), "Eviction trends worldwide - and the role of local authorities in implementing the right to housing", *Environment and Urbanization*, Vol. 6, No. 1, April, pp. 8-24.

⁶⁶ ACHR/Asian Coalition for Housing Rights, (1989), "Evictions in Seoul, South Korea", *Environment and Urbanization*, Vol. 1, No. 1, April, pp. 89-94.