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# Challenging inequality at the edge of change: Spatial inequality, equitable development, and urban-rural linkages

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# Challenging inequality at the edge of change: Spatial inequality, equitable development, and urban-rural linkages



## **ABSTRACT**

In many regions, inequality continues to be strongly defined by the rural-urban divide. Across the world, rural areas tend to suffer from higher rates of poverty and other negative economic and social indicators, compared to urban places. What types of strategies can help bridge this divide? Traditional solutions have often tackled rural and urban poverty separately, without adequately acknowledging the growing interdependencies along the urban-rural continuum, which is constantly being redefined by the flows of labor, capital, ideas, people, and natural resources between places. As the Ford Foundation develops its new Equitable Development program, it is assessing whether these economic, social, and cultural linkages can be influenced and leveraged to yield more equitable and just outcomes. As part of this effort, the Foundation is exploring potential activities in places that represent the edges of change between urban and rural places—peri-urban areas, rur-urban zones, and small towns that are urbanizing. Opportunities may be difficult to identify, given the geographic and administrative barriers between government agencies focused on different types of areas, jurisdictions, and mandates. Furthermore, such efforts would require upending conventional thinking about urban and rural development in multiple sectors (including governance, city/regional planning, and philanthropy). But the waning value of traditional policies and practices rooted in the “urban-rural binary” points to the need for a more sophisticated economic and socio-spatial approach to creating durable systems of opportunity along the rural-urban continuum, especially for people who have long been marginalized because of their race, ethnicity, gender, or class.

## 1. INTRODUCTION

Global inequalities—and particularly territorial inequalities—are strongly correlated with urban-rural dynamics.<sup>1</sup> Across the world, rural areas tend to suffer from higher rates of poverty and other negative economic and social indicators, compared to urban places. For example, Alwyn Young found that the urban-rural gap “accounts for 40 percent of mean country inequality” across the world.<sup>2</sup> He observed that countries with the greatest gaps in income between urban and rural are also the countries with the highest levels of inequality. Recent research has shown pervasive urban-rural inequalities globally, including in Sub-Saharan Africa,<sup>3</sup> China,<sup>4</sup> and South Asia.<sup>5</sup>

Traditionally, international development organizations, philanthropic institutions, aid agencies, and multilateral institutions have targeted rural and urban development separately. The Ford Foundation, for example, organized its anti-poverty work in this manner. In rural areas, its Expanding Livelihood Opportunities for Poor Households Initiative (ELOPHI) sought to reduce economic and social inequality through financial asset-building tools, developmental interventions, and support for higher-value economic livelihoods.<sup>6</sup> On the urban side, its Metropolitan Opportunity Unit (MOU) focused on providing access to quality housing, connecting people to opportunity, and expanding land use innovations in select urban metropolitan regions. Examples of similar dichotomies between urban and rural work in the development field abound.

This binary approach to boosting developing and reducing inequalities is losing its effectiveness, because of longstanding inequalities resulting from the rural-urban divide, and more recently because of the powerful and growing interdependencies between urban and rural areas, such as flows of people, ideas and culture, capital, commodities, environmental services, and natural resources. Moreover, the boundaries between urban and rural places are blurring, with the growth of “sprawl development” across the world that resulted in urban villages, small towns that are rapidly urbanizing, peri-urban and exurban areas, and small- and medium-sized cities that represent the most significant gateways for large inflows of migrants, compared with traditional mega-cities.<sup>7</sup> To disrupt the drivers of global inequality today, we must collectively engage and acknowledge the complex linkages between the urban and the rural.

The concept of addressing urban-rural linkages to reduce inequality is important to the Ford Foundation (the Foundation), which is in the midst of transforming its grantmaking strategy to devote all of its efforts to disrupting the drivers of inequality in targeted places across the globe. The Foundation will focus on “systems change,” i.e., supporting initiatives that seek to reform structures and systems that create or perpetuate inequality. Which structures and systems are most important in driving inequality in rural and urban areas? How do these systems transcend conventional boundaries? How might different types of institutions—from philanthropic institutions to multilateral donors—play productive roles in finding critical leverage points to make progress towards greater equality for people who have been historically harmed or marginalized by urbanization or rural transformation?

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<sup>1</sup> Alwyn Young, “Inequality, the Urban-Rural Gap and Migration,” *Quarterly Journal of Economics* (November 2013): 1727-1785. <http://personal.lse.ac.uk/YoungA/InequalityQJE.pdf> Here, he is referring to income inequalities.

<sup>2</sup> Ibid.

<sup>3</sup> David E. Sahn David C. Stifel, “Urban-Rural Inequality in Africa,” *USAID policy paper* (Cornell University: 2002). <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.523.8741&rep=rep1&type=pdf>.

<sup>4</sup> Binkai Chen and Justin Lin, “Urbanization and Urban-Rural Inequality in China: A New Perspective from the Government’s Development Strategy,” *Frontiers of Economics in China* (Volume 6, Issue 1, 2011), 1 – 21.

<sup>5</sup> Viktoria Hnatkovska and Amartya Lahiri, “The Rural-Urban Divide in India,” *International Growth Centre* (University of British Columbia: working paper February 2013), <http://www.theigc.org/wp-content/uploads/2014/09/Hnatkovska-Lahiri-2012-Working-Paper-March.pdf>

<sup>6</sup> The Ford Foundation’s ELOPHI initiative also focused centrally on strengthening the capacity of poor and marginalized households to access financial, business development, and organizational development services.

<sup>7</sup> Ayşe Çağlar, “Urban Migration Trends, Challenges and Opportunities in Europe,” *International Organization for Migration (IOM)* (Department of Social and Cultural Anthropology, University of Vienna: December 2014). [https://www.iom.int/sites/default/files/our\\_work/ICP/MPR/WMR-2015-Background-Paper-ACaglar.pdf](https://www.iom.int/sites/default/files/our_work/ICP/MPR/WMR-2015-Background-Paper-ACaglar.pdf)

This paper seeks to identify a robust working definition of “urban-rural linkages,” elaborates on the Foundation’s strategy to disrupt inequality in its Equitable Development program (with reference to urban-rural connectivity), and considers four possible approaches and their potentially disruptive impacts on systems of inequality in the Foundation’s India, Kenya, Indonesia, and Colombia regional offices. Since the Foundation is still in an exploratory phase, the responses generated by this paper and consequent discussion will be valuable in informing the Equitable Development strategy on rural-urban linkages.

## 2. URBAN-RURAL LINKAGES: DEFINITIONS TO INFORM GRANTMAKING STRATEGY

As we consider urban-rural linkages, it is important to ask, “What are we trying to achieve?” For the Foundation, our goal is to find potential ways to address some of the world’s most persistent forms of inequality, and this has led us to consider work on the rural-urban divide. In the process, we have embrace three principles that are shaping our views on rural-urban linkages.

1) *The Urban-Rural Continuum*. First, rather than assessing this opportunity in separate siloes (what we refer to as the “urban-rural binary,” we are choosing to take an integrated approach that we believe will produce a more multi-dimensional analysis. Also, a “continuum” approach could help foster cooperation among stakeholders from both ends of the spectrum—stakeholders who have occasionally taken a somewhat competitive or antagonistic stance towards each other.

2) *Urbanization as a process*. Second, our analysis will focus on urbanization as both a process of development, and a system of flows, including flows of labor, capital, people, ideas and culture, and natural resources and services. As Neil Brenner and Christian Schmid noted recently, “New forms of urbanization are unfolding around the world that challenge inherited conceptions of the urban.”<sup>8</sup> Rather than regarding urban areas as fixed, bounded, or generalizable across country contexts, we regard urbanization as a process of dynamic connectivity and a series of flows that include the movement of labor, capital, natural resources, ideas, and political power.<sup>9</sup>

3) *The Urban-Rural Interface*: Most of today’s urbanization is occurring not in mega-cities but in small- and medium- sized cities and towns. Therefore, it is critical to consider addressing rural-urban inequality challenges at the interface between rural, urban, and/or peri-urban areas, where both frictions and dynamic synergies are emerging. Opportunities in these spaces may be difficult to identify given geographic and administrative barriers between government agencies focused on different types of areas, jurisdictions, and mandates. A report by the UN Department of Economic and Social Affairs (DESA) warns of the “peri-urban information deficit” that renders millions of people invisible for public policies.<sup>10</sup> These areas at the “urban-rural interface” are not adequately served by either urban or rural development initiatives. Rather, new and intentional efforts must support these rur-urban zones head-on.

Though there are many other ways to expand on traditional views of urban and rural, we have found these principles to be helpful in framing a working definition of rural-urban linkages.

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<sup>8</sup> Neil Brenner and Christian Schmid, “Towards a new epistemology of the urban?” *CITY*, (Vol. 19, No. 2-3: 2015). 151-182.

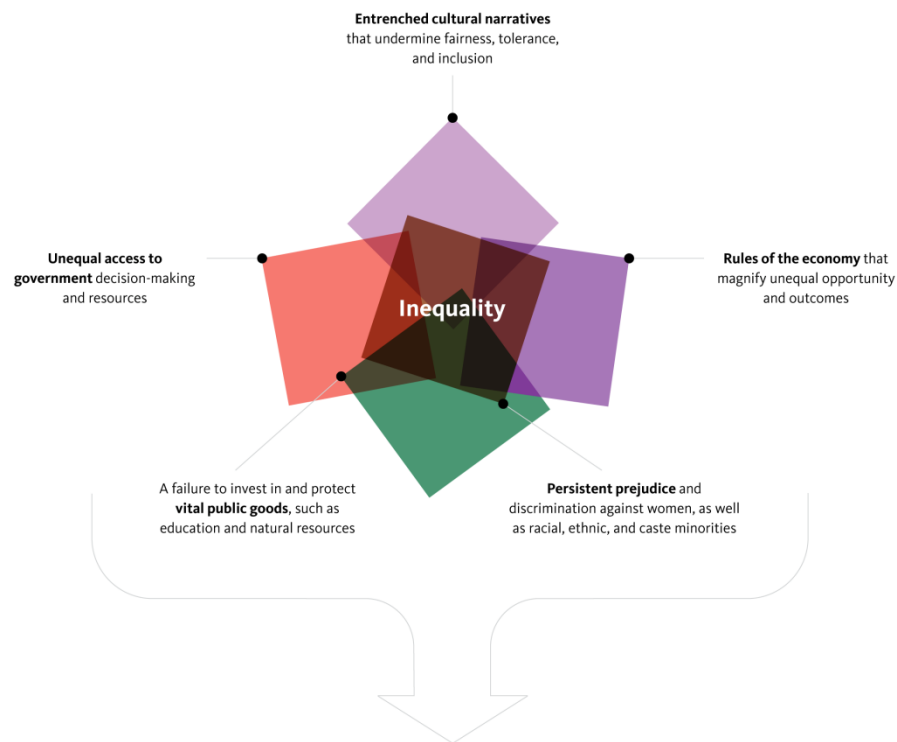
<sup>9</sup> Neil Brenner, *Implosions / Explosions: Towards a Study of Planetary Urbanization*, (Jovis Verlag GmbH: 2014).

<sup>10</sup> “Social and Environmental Aspects of Peri-Urban Growth in Latin American Megacities.” *United Nations Expert Group Meeting on Population Distribution, Urbanization, Internal Migration and Development*. New York, 21-23 January 2008. [http://www.un.org/esa/population/meetings/EGM\\_PopDist/P10\\_Torres.pdf](http://www.un.org/esa/population/meetings/EGM_PopDist/P10_Torres.pdf). Page 16-18.

### 3. URBAN-RURAL LINKAGES WITHIN THE CONTEXT OF THE FORDFORWARD STRATEGY

The Foundation has embarked on a dramatic transition to challenge inequality in all its forms, and the Foundation’s new strategy is called *FordForward*, which seeks to “grapple not just with *what* is happening but also with *how* and *why*.”<sup>11</sup> Our strategy will consider structural inequalities and what drives them, in an effort to eradicate the underlying barriers that prevent people from advancing in society. For the reasons noted above, we believe that rural-urban linkages present opportunities to address some of the rural-urban divides that characterize some of the world’s starkest structural inequities.

The Foundation does not view inequality solely in terms of income or wealth inequality, as many do. We are also considering other forms, such as political and cultural inequalities, depending on the regional context for our work. To really understand how to disrupt inequality and produce more equitable outcomes, we have identified five underlying drivers<sup>12</sup> (see figure) —common factors that contribute to inequality’s many manifestations.



Under *FordForward*, the Foundation has organized its grant making activities into seven program areas, each of which are supported by two or three Lines of Work. The Equitable Development program, which includes lines of work on “Just Cities and Regions” and “Natural Resources and Climate Change,” will be of greatest relevance to work at the urban-rural interface. Other program areas may also intersect with urban-rural linkages in important ways. Also, some of the Foundation’s ten Global South regional offices may also choose to address rural-urban linkages.

<sup>11</sup> Darren Walker, “Toward a New Gospel of Wealth,” *Ford Foundation Equals Change* (1 October 2015). <http://www.fordfoundation.org/ideas/equals-change-blog/posts/toward-a-new-gospel-of-wealth/#top>

<sup>12</sup> For more details: <http://www.fordfoundation.org/work/challenging-inequality/our-approach>

## 4. URBAN-RURAL LINKAGES AND EQUITABLE DEVELOPMENT: EARLY IDEAS

The Foundation's Equitable Development program seeks to ensure that future generations can live in just, prosperous communities and benefit from a sustainable environment.<sup>13</sup> Its Just Cities and Regions strategy is still in development. But we are considering initiatives on 1) ensuring stable homes and communities that offer access to quality opportunities (this would include security of land tenure); 2) policies and tools that help poor and marginalized communities and individuals benefit more equally from city operations and the urbanization process; and 3) efforts to elevate the imperative for equitable and inclusive cities, and to change paradigms of thinking, governance, and implementation to create just cities.

### 4.1 Case examples to illustrate potential future approaches

The Foundation's ten regional offices are considering many grantmaking activities that lie at the urban-rural interface. We will outline a few examples to illustrate potential future activities.

- The Foundation's New Delhi office is undertaking a project that supports the taking of oral histories of migrant working women who are settling in Indian cities and sharing aspects of their vibrant culture—from Bhojpuri music to literature from small Indian villages—with urban residents. The Foundation is interested in uplifting these otherwise untold narratives because they contribute to the rich cultural tapestry in cities across India. As in all cities, urban peoples' perceptions of rural people—especially rural women—may be at odds with reality. By proudly showcasing their culture, migrant women may have opportunities to rewrite cultural narratives and generate greater tolerance and inclusion towards them.
- Another example focuses on the Foundation's longstanding work on rural value chains. In the Foundation's East Africa office based in Nairobi, Kenya, is looking at value chains in commodities markets such as cocoa, which represents global supply chain and high-road business opportunities, and farmed fish and indigenous chickens, which are also well suited for distribution in nearby urban markets in Zanzibar, Kisumu, and other areas along the region's urban-rural interfaces.<sup>14</sup> Work on value chains may support greater market inclusion for smallholder agricultural producers. Research by Thomas Forster and others demonstrates the need for "short supply chains" that give rural producers from village communities more direct access to urban markets.<sup>15</sup>
- A third area of focus may lie in environmental protection. In India, sustainable groundwater management initiatives can help remediate contaminated water sources (often in the pipelines) that link urban and rural areas. Districts with contaminated water often lack the political connections or economic resources to secure new infrastructure investment. The Foundation is helping to support a network of NGOs committed to participatory groundwater management and design. In another example, the Foundation has provided funds to a coalition of groups working in the rural hinterland outside of Jakarta to try to reduce deforestation and other contributors to downstream flooding in urban areas. This work presents opportunities for powerful rural-urban partnerships to advocate for a dramatically different way of managing flooding risks in Jakarta.
- A fourth area of focus is land use planning. The Foundation has a long history of supporting city and regional planning, going back as early as the 1950s in countries like India and Pakistan. In its new

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<sup>13</sup> "Our Work: Equitable Development," Ford Foundation (December 2015, accessed 18 January 2016).

<http://www.fordfoundation.org/work/challenging-inequality/our-approach/equitable-development/>

<sup>14</sup> Additional information about the indigenous chicken project and chicken value chains in Kenya can be found in this short documentary film: [https://www.youtube.com/watch?v=2WcrBzJQzco&feature=em-upload\\_owner#action=share](https://www.youtube.com/watch?v=2WcrBzJQzco&feature=em-upload_owner#action=share)

<sup>15</sup> Thomas Forster, et al, "Strengthening Urban Rural Linkages Through City Region Food Systems: Paper for a joint UNCRD/ UN Habitat issue of Regional Development Dialogue," *UN Habitat*, (Vol. 35 on "Urban-Rural Linkages in Support of the New Urban Agenda, Discussion Draft, 18 November 2015).



strategy, the Foundation recognizes that the challenge of making cities and regions more socially and economically equitable depends partly on being intentional about it. As such, we hypothesize that inclusive land use planning can yield better results. Some examples that show signs of promising include our work in Indonesia, where we have supported an initiative that marries transparency and civic participation programs with land use planning in Jakarta, Surabaya, and Solo. Although actual poverty estimates have been declining in Indonesian cities, our grantees believe that these numbers may greatly underestimate poverty because they do not account for peri-urban and other surrounding areas. In Colombia, the Foundation is currently considering ways to support the Cali Economic Development Corporation to establish a Plan of the Territory (POT) that will ensure, at a regional level, social and economic cohesion. Proactive planning that occurs across the urban-rural continuum is essential if we are to include informal peri-urban settlements in the development process.

#### **4.2 Lessons from Ford's Regional Offices: An imperative to focus on leading edges of change**

These examples from the Foundation's New Delhi, Nairobi, Jakarta, and Bogota offices reveal that work on urban-rural linkages can take a variety of forms and bridge a variety of disciplinary and thematic perspectives. Far from solely relevant to the Equitable Development Thematic Area or the Just Cities and Regions Line of Work, urban-rural linkages indeed intersect with many Foundation's initiatives on culture, inclusive economic strategies, governance, gender, natural resources, and other important issues.

An additional lesson is the need to focus on zones at the edge of change, which includes peri-urban, the rur-urban, and the urban village/town zones, as well as smaller cities that serve as gateways between rural and urban areas. These geographies have been historically under-resourced and often lack critical infrastructure, capacity, and connectivity to assets and services. Civil society organizations, when they exist, are not always as connected to existing networks both in-country and globally. Moreover, peri-urban areas include a large percentage of countries' population growth and represent a significant share of the urban population. Most "urbanization" is occurring in these peripheral areas, and not in mega-cities, contrary to popular belief.

Finally, we recognize that there will be many challenges in working at the urban-rural interface. For example, the peri-urban information deficit means there has been little research into the assets and needs of many of these communities.<sup>16</sup> These areas lack resources, media attention, formal governance structures, infrastructure, and political support. In many large peri-urban zones, there simply are no "rules of the game," or perhaps minimal, informal, or unregulated rules, and the lack of regulation drives pervasive inequalities. One important goal of the Foundation's urban-rural linkages work will be to align governance structures, value/supply chains, and natural resource flows to best serve the interest of historically-marginalized communities.

## **5. CONCLUSION**

The Ford Foundation's *FordForward* transition will tackle the global crisis of inequality as a strategy-guiding "North Star." Urban-rural linkages, which supplant the conventional "urban" and "rural" binary, aim not to treat urban and rural development in separate siloes but instead to consider the deep fluidity and connectedness between these geographic poles. Moreover, our work on urban-rural linkages will consider urbanization as a process—one that engages flows of capital, migration, and natural resources. Given the Foundation's commitment to critical interdependencies, we expect that this work will touch upon many of the Foundation's program areas and regional office priorities. Urban-rural linkages also necessitate a focus on areas at the edge of change, such as peri-urban settlements, urban villages, or

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<sup>16</sup> Social and Environmental Aspects, *United Nations Expert Group Meeting*, page 16-18.

under-resourced small- or medium- sized cities. These zones stand to benefit from inclusive urbanization and urban planning that more equitably allows the benefits of development to reach all citizens.

Just Cities and Regions will focus on ensuring stability and access to opportunity, promoting fairness in land use and decision-making spheres, and strengthening cultural narratives that promote social and economic inclusion. Case study examples from the Foundation's regional offices illustrate how urban-rural linkages can take a variety of forms, from oral histories or music of Bhojpuri migrants to short supply chains in Tanzania's fish market.

The Ford Foundation's strategic transition will continue throughout 2016, and as a part of that process all teams will further define their strategies. Final decisions about how we tackle urban-rural linkages are therefore forthcoming and subject to change. But the waning value of traditional rural and urban policies and practices points to the need for a more sophisticated economic and socio-spatial approach to creating durable systems of opportunity along the rural-urban continuum. This is especially important for people who have long been marginalized because of their race, ethnicity, gender, or class.