



# Rural cities in Chile <sup>1</sup>

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## Executive Summary

The importance of intermediate cities in alleviating problems associated with high population concentrations, reducing regional inequities, stimulating rural economies and contributing to poverty reduction was first noted some time ago (Rondinelli, 1983). Most of the population of developing countries lives in or depends on intermediate urban centers to access goods, services and markets (Hardoy and Satterthwaite, 1986).

The focus of this study is the economic and population dynamics of intermediate cities in rural municipalities in Chile, which we call Rural Cities (RCs). The name is not meant to be a provocation, but to reflect the conclusion reached by Berdegué et al. (2010) in a study related to this one in which researchers found that rurality in Chile, as in the rest of Latin America, is diverse in level and type. A rural city is different from a metropolis not only in terms of size but in regard to its relationships with its surroundings and primary economic activities. A rural city is also different from a town, again not only due to its size but because of the type of social relationships that its inhabitants share, the services provided and the economic base that it offers its population.

The first objective of this study is to describe rural municipalities that contain a rural city as compared to those constituted by disperse groups of dwellings, hamlets or smaller towns and to urban municipalities.

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<sup>1</sup> This working paper has been originally published in Spanish: Berdegué, J. Jara, E. Modrego, F. Sanclemente, X. y Schejtman, A. 2010. "Ciudades Rurales de Chile". Documento de Trabajo N° 61. Programa Dinámicas Territoriales Rurales. Rimisp, Santiago, Chile. This document can be accessed through the following link [www.rimisp.org/dtr/documentos](http://www.rimisp.org/dtr/documentos).

Between Chile's last two censuses (1992-2002), municipalities with RCs experienced an average population increase that was greater than that of eminently rural municipalities. The theory predicts that this will be the case: the agglomeration of people and economic activities in urban centers stimulates greater growth and concentration (World Bank, 2008; Krugman, 1995). However, in Chile we observe that the relationship between population size and demographic growth is not very robust. Many rural municipalities do not reflect the pattern that suggests that municipalities with RC grow little while those without rural cities grow a great deal.

This study concludes that nearly one third of the rural population of the area considered<sup>2</sup> lives in just 37 rural cities. The rural municipalities that showed the most growth have fewer links to agriculture. When agriculture is an important economic activity in municipalities that grow quickly, in those areas it tends to be business-oriented agriculture focused on export markets which has intensive relationships with secondary and tertiary economic sectors.

High growth rural municipalities present lower levels of poverty, higher levels of human capital and better access to basic services and technologies. This pattern is seen in municipalities with RCs and those without them. The greatest levels of growth are observed in municipalities that belong to the most urban extreme of the continuum or rural-urban gradient explained by Berdegué et al. (2010).

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<sup>2</sup> Between the Region of Coquimbo and what was the Lakes Region, where 91% of Chile's population lives.