



## Strong rural–urban linkages are essential for poverty reduction

### It matters where people live

By 2050, two-thirds of the world's population will live in urban areas. Should we thus be more concerned with urban development? On the contrary, we should still focus on rural development, as this will remain critical to ensuring food security and eliminating poverty. With the ongoing demographic change, however, successful rural development will need to heavily rely on strong linkages between rural and urban economies.

Rural and urban areas are not strictly separate domains. They exist across a broad "rural–urban spectrum", ranging from megacities and large regional centres to small townships and the rural hinterland. Population patterns are highly diverse, though perhaps surprisingly, in all developing regions (except Latin America and the Caribbean) more people live in or around cities and towns of 500 000 inhabitants or fewer than in or around big cities (see Figure 1). Smaller cities account for about 60 percent of urban food demand and represent new sources of economic growth. In many parts of East Africa, for instance, small cities are diversifying their economic base, for example through strengthened linkages to rural areas. And in Latin America, despite the high concentration of people in megacities, the region has recently witnessed an explosion in the growth of smaller towns, serving as hubs between their surrounding rural areas and larger urban agglomerations.

Being more evenly spread over a given territory, multiple small towns give rural households easier access to opportunities for improving their livelihoods. Too often ignored by policy-makers, territorial networks of small cities and towns are important reference points for rural people – the places where they buy seed, send their children to school, and access medical care and other services. As described in the FAO report *The State of Food and Agriculture 2017* (SOFA), there is growing evidence that small cities and towns provide more inclusive patterns of development than rapid agglomeration.



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### KEY MESSAGES

- ▶ Half of the world's population reside within or in proximity to small cities and towns.
- ▶ Poverty reduction can be accelerated by creating strong linkages between small and intermediate cities and surrounding rural areas.
- ▶ In most developing countries, however, resources are disproportionately allocated to larger cities.
- ▶ Combining sectoral and territorial development approaches is essential for the effective strengthening of rural–urban linkages. This enables dynamic on- and off-farm job creation, ensures urban and rural food security, provides alternatives to rural distress out-migration, and promotes sustainable and equitable management of natural resources.

### Territorial approaches can help ensure policy coherence and address local needs

Rural transformation is often the result of a confluence of location-specific changes in the food system. Therefore, leveraging the food system for inclusive rural transformation requires territorial, location-specific approaches in order to break the urban bias in public policies and reconcile the sectoral aspects of the system with its spatial, social and cultural dimensions. This entails, for example, assessing urban and rural demands on the food system and how to meet those demands. For example, in India in the Agra District, expanded electrification and improvements in the road network allowed cold storage and transportation to be introduced, which benefitted potato producers, agribusinesses and urban consumers. Barriers may also be institutional, requiring improved coordination with producer groups to better understand their

needs for information, financial and other services. In East Africa, for instance, large-scale traders have stepped in to fill a void by providing smallholders with extension services, price information, and credit to finance input purchases.

Agroterritorial development that links smaller cities and towns with their rural “catchment areas” greatly improves urban access to food and income opportunities for the rural poor. This requires:

**1. Reconciling, through a multistakeholder planning process, the sectoral economic aspects of the food sector with its spatial, social and cultural dimensions.**

An agroterritorial approach first takes into account where a country falls on the rural–urban spectrum by considering the demographic, geographical and socio-economic contexts. The next step is to strengthen rural links with small cities and rural towns in order to connect producers, agro-industrial processors and ancillary non-agricultural services, as well as other downstream segments of food value chains.

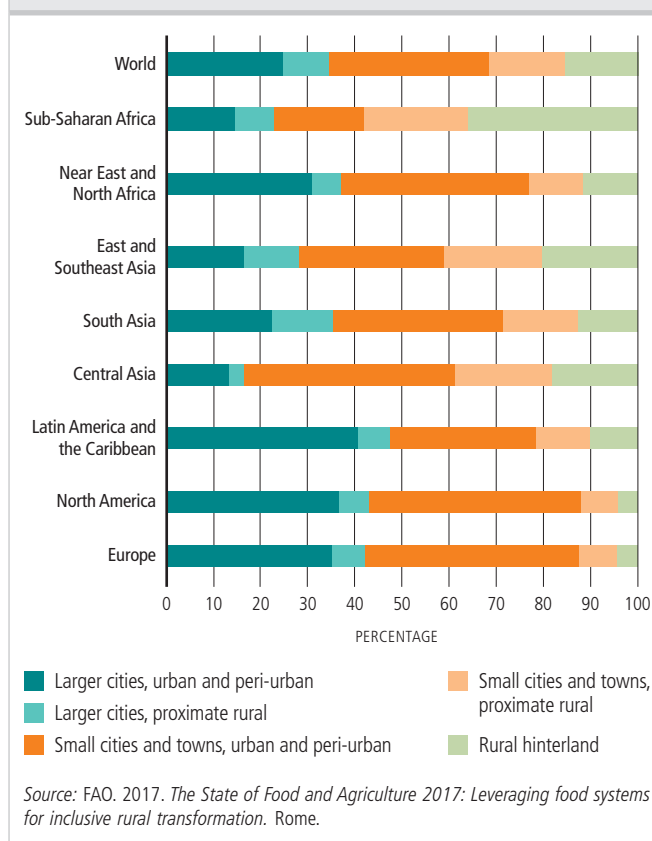
**2. Integrating targeted value chain interventions into a broader territorial strategy.**

Initiatives may start with the value chains that have comparative advantages in the territory, and continue by implementing infrastructural works (such as roads, water and energy supply, and storage facilities) and improving the enabling environment (price incentives, regulatory frameworks, capacity development) to allow agribusinesses to flourish and rural–urban economic ties to develop. For example, the Sri Lankan Government is currently mapping the food system for the province of the capital, Colombo, and ensuring the inclusion of food system sustainability in urban and territorial planning.

**3. Ensuring a balanced mix of infrastructure development and policy interventions across the rural–urban spectrum.**

Five mechanisms for agroterritorial development – agro-corridors, agroclusters, agro-industrial parks, agro-based special economic zones and agribusiness incubators – have proven instrumental to stimulating the growth of agro-industries and the rural non-farm economy. Such mechanisms will need to be tailored to the needs and features of each geographic context, but all share a focus on generating rural employment through improving rural–urban connectivity. The growth corridor in the United Republic of Tanzania is but one example. After overcoming major infrastructure deficiencies (roads, electricity), two secondary towns and several small cities are now well connected via the corridor to the country’s main city, Dar es Salaam, and its market of 4.3 million inhabitants.

**FIGURE 1. Population distribution along the rural–urban spectrum, globally and by region, 2000**



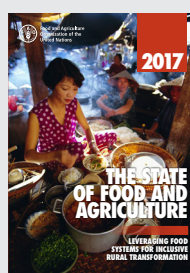
**4. Ensuring basic services, infrastructure, and effective regulatory frameworks are in place to foster food business development along the rural–urban spectrum.**

In addition to improving infrastructure, governments have a key role to play in reducing the costs of doing business, providing incentives for investment, and creating conditions for inclusive economic activities in the food system of a targeted territory. This role also extends to the promotion of farmers’ organizations, financial vehicles that support farmers and agribusiness, university-led agribusiness incubators, and public programmes to build enterprise capacities. For example, in Chile in the 1960s, the government implemented a strategic plan for the fruit sector that included tax incentives, advantageous financial products for fruit exporters, and investments in post-harvest infrastructure, while also encompassing a strong knowledge component (training, R&D and market research). These initial actions were instrumental towards developing a competitive fruit sector in later decades.

**The State of Food and Agriculture**

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The findings in this brief have been adapted from the FAO report *The State of Food and Agriculture 2017: Leveraging food systems for inclusive rural transformation* available at [www.fao.org/3/a-i7658e.pdf](http://www.fao.org/3/a-i7658e.pdf)