

Rethinking urbanization and economic development: a synopsis

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I. INTRODUCTION

The relationship between urbanization and economic development is one of the great puzzles of our time. Although history reveals a positive connection between the level of urbanization and average incomes – within and between countries – this doesn't mean that this relationship will hold into the future, or that urbanization is mainly responsible for rising prosperity.⁽¹⁾ Over the next few decades virtually all the world's population growth will occur in cities.⁽²⁾ As a result, by 2050 two-thirds of all people will be living in cities. Most urban growth will happen in Asia and Africa, which is why it is vital to anticipate the impact of urbanization on people's living standards and well-being in these regions, and for governments to take appropriate actions to enable long-term progress.⁽³⁾ Yet, understanding and acting upon this relationship requires research, knowledge and practical capabilities that bridge multiple academic disciplines, stakeholders and policy silos. This is invariably very challenging.

In the meantime, recent events have revealed some of the drawbacks and downsides of rapid urbanization. COVID-19 showed the devastating effects of disease spreading among dense concentrations of people, particularly in crowded and unplanned settlements lacking basic services and open space.⁽⁴⁾ The pandemic's aftershocks include disrupted global supply chains and inflated food prices, which have aggravated hunger, hardship and social unrest among many poor urban communities.

More frequent typhoons, flooding, wildfires and droughts have exposed cities with weak infrastructure to the catastrophic consequences of accelerating climate change. Wars and other conflicts have spurred migration pressures and heightened social tensions in cities in many parts of the world. And high levels of global inequality, increasingly characterized by disparities within countries and cities, have fuelled discontent and instability.⁽⁵⁾

These cataclysmic events have happened within a few years of a series of global agreements that focused unprecedented attention on urbanization in developing countries. They recognized not only the vulnerabilities and threats posed by the unparalleled scale and pace of contemporary urban growth, but also the unique opportunities and development potential of urbanization. The UN Sustainable Development Goals (SDGs), the Paris Climate Agreement and the Sendai Framework for Disaster Risk Reduction underlined the interconnections between the economic, social and environmental challenges facing cities, and emphasized the need for integrated, place-based solutions that leave no-one behind.⁽⁶⁾ The SDGs and their appendage, the New Urban Agenda, advocated that governments and other stakeholders harness the “transformative power” of cities by pursuing a holistic and coordinated approach to urban development, grounded in a thorough understanding of local problems and an appreciation of the dynamics of how to spur socioeconomic progress.⁽⁷⁾

1. Turok and McGranahan (2013); Chen et al. (2014).

2. Urbanization and cities are often used interchangeably although this is not strictly correct because urbanization includes the growth of towns and cities of various sizes. The appropriate population size thresholds and other distinctions between different types of settlement are debated extensively in the literature.

3. Turok (2018a); OECD (2022).

4. Ramirez et al. (2021); Baum-Snow et al. (2022); Sheng et al. (2022).

5. Sassen (2006); Nijman and Wei (2020); Ferreira et al. (2022).

6. Espey et al. (2023); Sharifi et al. (2023).

7. Turok (2018a, 2018b).

II. THE CASE FOR LINKING URBANIZATION AND DEVELOPMENT

The most compelling argument for a positive connection between urbanization and development derives from spatial economics and the theory of agglomeration economies.⁽⁸⁾ The basic proposition runs as follows: people and firms connected to each other through physical proximity interact more efficiently than they do in dispersed settings, which makes them more productive. These interactions take the form of traded inputs and outputs, competition, information exchange, mutual learning and shared logistics. Bigger and denser cities encourage more frequent and diverse interactions, leading to faster diffusion of new ideas and techniques. The larger the city, the greater scope and pressure there is for people and firms to specialize in particular skills, tasks and functions. This division of labour leads to better and/or cheaper products and services. Specialization is particularly important in tradable goods and services because this allows firms to compete in wider markets and expand beyond the confines of local demand. Their ability to trade further afield also depends on transport costs and connectivity – to other cities and other countries.

The result of these forces and processes is that firms can produce more outputs with fewer inputs, so productivity is higher in cities. This in turn attracts investment, supports higher wages, fosters enterprise, fuels growth in output and creates jobs and other opportunities in the local economy. Sizeable urban labour markets enable firms and workers to match each other's precise requirements more easily because of the greater choice available, further boosting efficiency and performance. There is also a higher return on public investment in cities than in towns and rural areas because of economies of scale and lower transport costs in delivering services to large, dense settlements.⁽⁹⁾ The outcome is a virtuous cycle of economic dynamism, higher incomes, better public infrastructure and a broader range of social amenities and recreational facilities.

Yet the economic consequences of larger cities are not all beneficial because they are

offset by rising congestion, overcrowding and higher costs of land and housing. Lower income groups may be forced towards the urban periphery, aggravating inequalities in access to better-paying jobs and essential services. The expansion of cities also tends to mean more pollution, degradation of the environment and ecosystem services, and loss of agricultural land. Without investment in essential infrastructure and careful urban planning, these "negative externalities" of city growth can outweigh the positive effects and dampen the vigour and vibrancy of economic development.⁽¹⁰⁾

III. THE EXPERIENCE OF ADVANCED AND EMERGING ECONOMIES

The theory of agglomeration economies and much of the supporting evidence stems from the advanced economies of the global North.⁽¹¹⁾ The period when most countries made the transition from predominantly rural to urban populations was the nineteenth century, coinciding with Europe's industrial revolution. Favourable economic circumstances and colonial domination contributed to a powerful relationship that emerged between urbanization, economic growth and rising living standards. Manufacturing was the primary catalyst and industrial cities developed a deep division of labour both internally and with other cities. Manufactured exports benefited from cheap inputs from the colonies, unequal trade relations and restricted foreign competition. Manufacturing was labour intensive and absorbed many of the poorly educated workers moving to cities, many of whom eventually became unionized and were able to negotiate better pay and working conditions. Natural growth of the urban population was constrained by high mortality and the burden of disease, which was also conducive to gradual improvements in wages and workplaces by moderating the supply of labour and the competition for jobs. Advances in agricultural productivity generated a surplus to feed the urban population and pushed

9. OECD (2022).

10. Mirafteb and Kudva (2015); Turok (2017).

11. Duranton and Puga (2004); Melo et al. (2009); Randolph and Storper (2023).

8. Scott and Storper (2015); Turok (2018a).

farmworkers into the cities, reinforcing the structural shift in the economy from agriculture to manufacturing industry.

There are some interesting parallels with conditions that have prevailed more recently in selected emerging economies of the global South, beginning with postwar Japan, followed by South Korea, Taiwan and most recently China.⁽¹²⁾ Manufacturing was the essential driver of productivity growth and rising prosperity in each case. Urbanization fuelled the supply of cheap, flexible labour for competitive exports and resulted in the growth of many of the world's largest cities, such as Tokyo, Osaka, Seoul, Shanghai and Beijing. Over time, the symbiotic forces of agglomeration and business specialization yielded advances in technology, better-quality products, higher-skilled jobs and enhanced living conditions for many urban residents. Economic success was facilitated by improvements in international transportation, unfurling globalization and the opening-up of affluent consumer markets in the global North. Major public investments in urban infrastructure organized by a strong developmental state were another pivotal ingredient in building functional and highly productive cities.⁽¹³⁾ They were partially funded by capacitated local governments and other public bodies capturing the uplift in land values from converting farmland and forests to urban uses, and preventing a windfall accruing to private developers and speculators.⁽¹⁴⁾

IV. THE CHALLENGES FACING MANY CITIES IN THE GLOBAL SOUTH

The economic context for many other countries in the global South has become much more difficult in recent years and the barriers to success are far higher.⁽¹⁵⁾ Many struggle to diversify away from a reliance on exports of natural resources and basic commodities, partly reflecting their colonial legacies of infrastructure geared to extraction rather than internal development.⁽¹⁶⁾

New technology and automation mean that manufacturing does not generate anything like the same level of low- and semi-skilled employment that it used to. China's remarkable industrial achievements have intensified global competition and restricted the space for rivals to emerge. Containerization and other advances in transport and logistics have made it easier for China to compete in the backyards of other emerging economies and cities, thus inhibiting their growth through exporting tradable goods. Some of China's neighbours, such as Vietnam, Cambodia, Bangladesh and Indonesia, have benefited from rising Chinese labour costs to a much greater extent than places further afield. Meanwhile, the recent rise in the North of economic nationalism, protectionism and the support for "onshoring" and "friend shoring" has complicated matters further.

Just as the prospects for economic growth and structural transformation in many Southern cities are being squeezed, the other side of the urbanization–development equation – population growth – has been unleashed by improvements in health, medicine and sanitation. Child mortality has fallen more steeply in recent decades than it did in the North and people are living longer. Consequently, the urban populations of Africa and Asia are growing at an unprecedented rate, complicating their absorption into urban labour markets and their accommodation in decent living conditions. A related problem is that the abundance of labour tends to suppress urban wages and living standards. This structural challenge is compounded by rural poverty and out-migration because of the difficulties many countries face in boosting agricultural production to create livelihoods for the almost equally expanding rural populations.

The apparent unravelling of the bond between urbanization and development in the global South makes it imperative to disentangle the underlying mechanisms and explore the dynamics in greater depth and detail. The historic experiences of countries and cities in the North and selective parts of the South both need closer investigation to tell a richer and more complete story of how and why urbanization helped to bring about structural economic changes and rising prosperity in these contexts. More importantly, the experiences of other developing countries in Africa and Asia

12. Chen et al. (2014); Goldin and Lee-Devlin (2023).

13. Miller (2012); Martine and McGranahan (2014); World Bank (2014).

14. OECD (2013); Turok (2014).

15. Randolph and Storper (2023).

16. Turok (2018b).

need intensive examination to understand the prevailing processes and specific circumstances that are either helping urbanization to foster economic development or preventing it from playing a constructive role.⁽¹⁷⁾ This calls for a major effort to redress the current chasm between urban research in the North and South.⁽¹⁸⁾

V. AN AGENDA FOR ANALYSING THE URBANIZATION–DEVELOPMENT RELATIONSHIP

There are at least five dimensions of the urbanization–development connection that warrant further conceptual and empirical analysis, beginning with the main causal relationship, followed by four shaping conditions. First, a more nuanced account of the fundamental forces of agglomeration is important, including the scope and limits of where and when they apply. Key propositions tend to be couched at a high level of generality with limited variety or subtlety of insight, and little historical analysis. Methods of analysis and measurement are also highly aggregate. It is unclear whether the processes are equally relevant to high-tech and low-tech sectors, non-tradable and tradable industries, small/micro-enterprises as well as medium and large firms, and both informal and formal enterprises. There is also a gap in understanding what kinds of physical and social infrastructure and institutional arrangements form the foundation for these clustering forces.⁽¹⁹⁾

The sequencing and evolution of agglomeration dynamics is another feature that warrants disaggregation, including the factors that set the phenomenon in motion and that trigger qualitative changes in the character and intensity of interactions and synergies over time, i.e. structural change. What is it that propels specialization, builds the necessary firm capabilities and underpins an emerging division of labour? What is the relationship between competition and cooperation in nascent industrial clusters, and is this amenable to outside influence? A more granular understanding of agglomeration and more historically informed

analyses would help with the diagnosis of embryonic trends in Southern cities and make it easier to tailor actions by government and civil society to make a positive difference.⁽²⁰⁾

Second, key features of the wider economic environment need to be better understood. One aspect is the opportunity for cities in the South to upgrade their local economies by developing tradable goods and services and inserting themselves into regional and global value chains. What can be learnt about contemporary global terms of trade from the cities that have succeeded in gaining a foothold in value chains and building a competitive niche in wider markets? Are they exceptions or can they be replicated elsewhere? Another dimension is the potential for new technologies to be of benefit to emerging cities. Digital technologies, electronic platforms and artificial intelligence appear to offer scope for a variety of tradable services to take root, but the impact on local employment and the wider socioeconomic consequences need critical assessment. There is also much to be done to ensure that the productivity gains in leading sectors spread across the local economy to avoid creating enclaves. Enhanced education and vocational training are bound to have a role to play in this respect.

Third, the population trajectories of Southern cities require further research, irrespective of economic dynamics.⁽²¹⁾ The relative importance of natural growth and rural–urban migration vary greatly across cities, but the implications are not widely understood. The contrasts between changes in mortality, fertility and life expectancy also deserve fuller analysis. What would it take for developing cities to capitalize on the demographic dividend from their youthful populations? Another neglected distinction is between urbanization stemming from the growth of existing cities and from the emergence of new towns and cities through the densification of rural settlements linked to expanding rural populations. Circular migration is a further issue, partly reflecting the weakness of urban economies, constricted upward mobility, affordable housing shortages, and people retaining livelihoods in rural areas to reduce the risks of failure.⁽²²⁾

17. OECD (2022).

18. Mirraftab and Kudva (2015); Sharifi et al. (2023).

19. Turok (2016, 2017).

20. Turok (2018a).

21. Randolph and Storper (2023).

Fourth, the relationship between the built environment and economic development deserves greater attention. Contrasts between the physical character of emerging and advanced cities are often very striking, including the proliferation of informal settlements, higher population densities, more intense use of public spaces, and widespread home-based enterprises. The impact of these differences on living conditions is reasonably well-known, but the implications for economic performance are under-researched.⁽²³⁾

Underlying these manifestations of the built environment are at least three fundamental themes. One is the affordability challenge facing many enterprises and households in Southern cities, reflecting weaker economies and stagnant average incomes. This prompts questions about the relationship between informal firms and informal housing, especially for home-based enterprises. There are various ways in which the informal and unregulated character of housing hinders such businesses, for example in getting registered, obtaining bank loans or accessing important infrastructure.⁽²⁴⁾ Yet, there must be other ways in which informal housing helps business growth, such as saving the cost of formal premises. Another theme is the nature of land rights and the existence of parallel property titling systems in many developing cities.⁽²⁵⁾ The co-existence of customary and informal property regimes with official cadastral systems can create uncertainty and legal disputes, which deter investment in industrial and commercial buildings by formal companies. A third theme is the level of investment in public infrastructure, which often lags well behind in the case of households constructing their own homes in Southern cities, causing congestion, overloaded services and other adverse effects.

Fifth, the way urbanization evolves is also conditioned by the nature of urban governance, including whether the formal institutions of the state are capable of engaging constructively with informality. Effective urban governance is partly

about the capabilities of local governments to prepare the ground for human settlement in advance of occupation to prevent unsafe and troublesome land-use arrangements.⁽²⁶⁾ It includes the capacity to invest public resources in essential services and infrastructure to ensure functional environments for economic activity and liveable residential areas. Where land is occupied in advance of planning and infrastructure provision, it tends to be much more costly to retrofit and more complicated to adapt and rearrange settlements afterwards. Once land is occupied informally, it is also more difficult for governments to capture the uplift in land values and to collect property taxes to reinvest in infrastructure. Urban governance also relates to the registration and regulation of enterprises. Unrealistic norms and standards and onerous administrative procedures can make it too costly and complicated for many small firms to comply.⁽²⁷⁾ Regularization and formalization may require a combination of stronger business capabilities and simplification and streamlining of red tape. The complexity of urban governance challenges means that new forms of coalition, alliances and networks with the private sector, civil society and community-based organizations are essential to improve service delivery, enhance accountability and strengthen problem-solving capabilities within cities and neighbourhoods.

VI. PAPERS IN THIS SPECIAL ISSUE

The papers in this special issue seek to advance knowledge on many of these issues.

The point of departure of the paper by Nick Dorward, Sean Fox, Thomas Statham and Levi John Wolf is the profound demographic challenge of rapid urban growth facing African countries. Yet, there is no consistent definition of what governments or researchers mean by an urban area or a city, either in terms of settlement size, density or anything else. This is very unhelpful, both for understanding urbanization and for a policy response. It would make sense to go beyond a simple urban–rural dichotomy to try to distinguish different kinds of settlement, such as towns and cities. This would require

22. Bank et al. (2020).

23. Turok (2017).

24. Some evidence that the lack of title deeds can obstruct business registration, bank loans and access to municipal infrastructure is available from studies of small firms and micro-developers in South African townships Scheba and Turok (2020a, 2020b); Scheba et al. (2022).

25. Andreasen et al. (2020); John et al. (2020).

26. Turok (2017); OECD (2022); Espey et al. (2023).

27. Scheba and Turok (2020a, 2020b); Scheba et al. (2022).

using several thresholds rather than just one. The authors take advantage of recent population data to analyse different forms of settlement that are occurring across the continent. They question the validity of some current urban definitions and thresholds derived from the experience of urbanization in Europe and instead they apply a wide range of thresholds to see what difference this makes to what constitutes the “urban” and how plausible this is.

Their analysis reveals very clearly how sensitive the phenomenon of urbanization is to the way it is defined and measured. The density of population emerges as the most important variable affecting what counts as urban, rather than the size of settlements, because it detects differences more clearly. Having done this analysis, the authors move on to compare the level of urbanization in different African countries to variations in average income. Their analysis lends support to the idea that the growth of urban populations is only weakly linked to improvements in average income, suggesting that urbanization has been decoupled from economic development. Interestingly, their analysis contrasts with the recent OECD study,⁽²⁸⁾ which found a positive relationship between urbanization and economic development in Africa. This inconsistency clearly reaffirms the need for further research on this vital issue. Dorward et al. conclude by considering some of the implications for urban governance, showing how important it is for governments to take the growth of dense and unplanned settlements very seriously and to respond in a more sensitive manner than has often been the case.

The paper by Hyung Min Kim is highly relevant to the severe financial constraints facing many governments in developing countries. Lack of tax revenues or borrowing capacity inhibits public investment in the installation and maintenance of urban infrastructure, leading to common problems for firms and households of traffic congestion, electricity breakdowns, dysfunctional railways and ports and overloaded water and sanitation systems. The World Bank⁽²⁹⁾ estimates that GDP per capita in Africa would increase by 1.7 per cent a year if the continent could close the infrastructure gap with the rest of the developing world.⁽³⁰⁾

Kim’s paper is particularly valuable in demonstrating a workable solution to the funding obstacle. It reaffirms the powerful economic logic of harnessing the uplift in land values that accompanies urban expansion to finance the necessary investment in public infrastructure. The example comes from South Korea, which is much better known for its impressive experience with industrial policy than for its urban or land policies. The government originally passed legislation to confer powers on a state-owned development agency to acquire peri-urban land at existing agricultural value through compulsory purchase. The agency then rezoned and developed the land for large-scale housing and commercial purposes, and subsequently sold it on at market-related prices.

The study is based on a greenfield location neighbouring Seoul called Yongin-Jukjeon. It offers a striking illustration of the effectiveness of land value capture implemented by a highly capable state with a clear plan of action. The development agency was able to fund all the infrastructure internally without external borrowing or government grants. This included roads, water and sewage pipes, energy supply, parks, playgrounds and open spaces. It could afford to do this because the land increased in value five-fold over seven years, with a large net return even after factoring in the development costs. Furthermore, the development agency shared some of the financial returns with other stakeholders, including the property developers, construction companies, new home buyers and some of the original landowners, perhaps to assuage political fallout from the compulsory land acquisition. The latter benefited through housing subsidies that were only realized later on as financial gains. The losers were the original owners who could not afford to take up the opportunity to acquire subsidized land elsewhere, and who faced displacement instead, albeit with compensation.

Kim’s paper is also instructive of the benefits accruing to urban residents and businesses of public amenities through elevated property prices. Except in greenfield situations where the government has acquired the land at existing use value, it faces major challenges to recoup the value of public investments in all kinds of social facilities and physical infrastructure because they are mostly captured by existing landowners. Raising property taxes (or rates) is the obvious

28. OECD (2022).

29. World Bank (2017).

30. See also OECD (2022).

solution, but this is usually resisted by well organized property owners and ratepayers' associations. Many poor communities can either afford only nominal contributions or can avoid paying anything at all because they are not registered as property owners. Nevertheless, the point holds that land value capture is a potential instrument to instigate a virtuous cycle of public investment, enhanced living conditions, increased productivity, higher local demand and rising incomes, which ultimately feeds back into additional public finance for reinvestment, as long as it is not siphoned off for other purposes.

The paper by Johan Mottelson and Alessandro Venerandi is quite a contrast, in focusing on informal, unregulated and unplanned housing. This is the dominant form of accommodation in sub-Saharan Africa, accounting for three-quarters of residential expansion between 1990 and 2014.⁽³¹⁾ The paper makes a useful contribution to the literature on the evolving physical form of cities in the South by exploring interlinkages between the built form of unplanned settlements and the socioeconomic status of households, focusing on Maputo in Mozambique. The study combines high-resolution geospatial data on the use of land with primary household survey data across two similar pairs of informal settlements – an older and newer settlement within the central city (both about 5 kilometres from the CBD) compared with an older and newer settlement further afield (both about 15 kilometres from the CBD). They use an innovative multidimensional measurement of social status which combines information about household income, assets, education, amenities and dwelling size into a single score.

A central finding is that households that are better-off consume more land because they live in larger dwellings. Yet the lower population densities of their settlements do not translate into better preserved natural environments and more trees. Better-off households also tend to live in newer settlements, suggesting that they can afford to buy their way into the city, whereas poorer migrants tend to rent accommodation in older settlements. This challenges the idea that urbanization occurs chiefly through poor rural populations relocating to cities to improve their living standards. The authors also speculate

that poorer migrants tend to be pushed out to the urban periphery where prices are lower but access to opportunities is inferior.

Mottelson and Venerandi recommend that urban expansion in Maputo could be better managed by policies that do not require a highly capacitated state to regulate and control land usage. They suggest supporting small-scale rental housing, transit-oriented development and road-pricing controls. They offer examples of how such policies could support livelihoods and local economies by providing opportunities for small businesses along transport corridors and through backyard rentals. One unanswered question is how unplanned settlements can protect land and open space for public use, which is vital for circulation, liveability, economic activity and basic infrastructure. Another challenge is to safeguard the inclusion of poorer households in well-located settlements. These are just some of the complications of governing the expansion of cities that are characterized by large-scale spatial informality in a way that is sustainable but with limited state capacity and resources.

The paper by Singumbe Muyebe investigates a widely debated issue in urbanization and economic development, namely the relationship between property rights, income generation and economic growth. The argument that formal property rights help to raise household incomes and spur development has gained considerable policy and academic traction over the years, despite limited empirical evidence at the local level. This is especially true for post-conflict countries with authoritarian governments and poorly developed property regimes and cadastral systems. Yet these conditions apply to large parts of the global South.

Muyebe makes an original contribution to the debate by investigating the relationship between property rights and income generation in Angola's capital city, Luanda. He applies a conceptual framework that views property rights along a continuum, rather than as a simple dichotomy between formal and informal. This recognizes the complex nature of land tenure in Luanda, comprising actor-networks of citizens, officials and local institutions. He then uses quantitative analysis of novel data to compare the impact of property rights on access to credit, labour market participation and home business activities across two contrasting

31. Angel et al. (2016).

settlements. One is a government social housing project on Luanda's periphery for residents who were evicted from a central area. The other is an informal settlement with limited basic infrastructure where some evicted residents moved for its better location and employment prospects. Residents in the government project possess a document that formally confers use rights of social housing, whereas those in the latter only hold informal documentation.

Muyeba's study reveals high tenure security in both settlements, albeit stronger in the social housing project. Both places also record a high volume of informal sales, despite government restrictions on social housing and the lack of formal property rights in the informal settlement. These findings confirm that property transactions can still thrive under conditions of informality, if there is tenure security. Muyeba reaffirms previous studies that showed how tenure security is enabled by selected officials getting involved in informal transactions, from which they obtain personal benefits. The intricate involvement of government officials reveals the co-production of informality between states and citizens, even under authoritarian regimes.

The paper found little impact of property rights on access to credit and labour market participation, partly because of wider structural impediments, such as extreme unemployment and a dearth of formal jobs. In highly constrained labour markets, it seems that property rights make little difference to people's chances of gaining formal employment. Instead, strong tenure security is likely to contribute to home-based enterprises, which positively affects household income. This finding highlights the importance of recognizing the home as a business space in urban policy, in land-use planning regulations and in the rules governing social housing, which tend to restrict home-based enterprises. Strengthening tenure security may be a more important policy lever than formal property rights in increasing economic investment. Investments (gifts) from family members also seem to increase when tenure security is improved, although this relationship requires further research.

The paper by Nicholas A Phelps and Adiwan Aritenang offers insights into the interconnections between people living in informal settlements and running informal

enterprises. They point out that business and urban informality are common features of urbanization in the South, yet the links between them are poorly understood. By bringing the literature on economics and development studies into a conversation with urban planning and geography, they identify an important theoretical and empirical gap regarding business innovation and economies of scale. This includes the operation of formal and informal practices and institutions at the local level.

Their study was based in the Indonesian city of Bandung and drew on survey data collected from 203 respondents in five *kampung* (urban village) footwear and clothing industry clusters. They interrogate business connections to the home; the localization of backward (purchasing) linkages, including the use of recycled materials; and the firms' broader relationships to their local communities. One important finding is that most informal businesses operate from home. However, the extent to which the home contributed to or constrained business innovation was unclear and required further investigation. A better understanding of this relationship would help to identify specific regulatory and policy reforms to help stimulate local business and economic growth.

A clearer picture emerged of the strong local linkages within these industry clusters, with proximity to suppliers and other businesses being mentioned by most businesses as important location factors. The extent of collaboration between firms varied considerably and many were engaged in cut-throat competition and direct imitation. It was also a mixed picture in relation to innovation in these businesses and the benefits they derived from knowledge and ideas circulating in the local community. Some firms clearly learnt from the experience of their neighbours, whereas others felt inertia and limited information spillover. An important implication is that local policy makers need to recognize the importance of these subtle processes and relationships before they can stand any chance of strengthening business innovation and growth in these situations. Simply encouraging firms to join business associations does not seem to have done much to strengthen their capabilities or to develop the industry cluster as a whole.

The paper by Lucy Oates, Peter Kasaija, Hakimu Sseviiri, Andrew Sudmant, Aksel Ersoy

and Ellen van Bueren seeks to connect prior research on entrepreneurship and business studies with urban geography. They also provide a novel comparison across two cities in Africa and Asia. Their paper argues that the aspiration to build major urban infrastructure and provide large-scale public services in many Southern cities is unrealistic because of limited state resources and capabilities. However, there are alternatives available that may be more appropriate and feasible. It is essential to make use of these because of the chronic shortage of basic services in many informal settlements. One of these is a system of community-based enterprises used to collect and recycle municipal solid waste. Drawing on examples from Kampala in Uganda and Ahmedabad in India, they show how these organizations help to improve human well-being and contribute to environmental sustainability. These community-based enterprises have non-commercial objectives and complement the services of municipalities in collecting solid waste, but they also benefit from state support.

To conclude, urbanization offers valuable opportunities to contribute to economic development because of the interactions and efficiencies achieved by concentrated activity and people. However, this is not automatic or inevitable because urbanization can also have serious negative physical and social effects which can interrupt or act as a brake on economic progress. Therefore, it is misleading to say that urbanization causes development as if it is a separate and independent force for prosperity. It is more convincing to argue that the relationship is interdependent, i.e. urbanization and development are closely entwined and are shaped by each other. Put differently, urbanization is intimately bound up with the evolving dynamics of economic development. Furthermore, the strength of this connection is heavily dependent on the context, especially the composition of economic growth, demographic trends, the physical environment and the nature of urban governance and institutions. This means that urban development is bound to follow different paths in different circumstances and require different responses on the part of governments and other stakeholders. It also implies that it is inappropriate for governments to target a certain level of urbanization in the hope that this will accelerate economic growth. It is more sensible for governments to focus

on the character of urbanization and seek to improve how people and firms gain access to serviced land and property in cities. Creating productive and liveable urban environments does not happen through individual endeavour and market forces, but requires collective action including planning, managing and financing urban infrastructure.

VII. FEEDBACK – FROM THE ENVIRONMENT AND URBANIZATION EDITORS

In this issue's Feedback we have a very diverse group of papers.

The paper by Tom Gillespie and Diana Mitlin addresses a lively debate in the literature over the appropriate geographical focus of twenty-first century academic development studies. One school of thought challenges the relevance of continued North–South binaries and calls instead for a shift to a global development paradigm that acknowledges changing patterns of inequality and the interconnected character of such crises as COVID-19 and climate change. Critics of this paradigm shift argue that the North–South distinction remains relevant and useful and that an approach that eradicates the global binary lacks empirical weight and political-theoretical substance. Gillespie and Mitlin do not dismiss these critiques, but propose that the problems they identify do not actually prevent a more global approach to development. Innovations in urban studies, they argue, provide a basis for thinking more globally that might move the debate forward. Drawing on this literature, they describe three relevant tactics: *“thinking from the South to understand the North; comparing across difference; and exploring transnational flows, circuits and relationships”*. These tactics make it clear that a greater convergence between North and South is unnecessary in order to establish commonalities and relationships that cross the divide. Continued North–South inequalities, furthermore, can be viewed in the light of such processes as capitalism, colonialism and imperialism in the attempt to understand their structural causes. There is much to be gained, these authors conclude, by encouraging more exchange between the fields of global development and urban studies.

The paper by Rita Lambert, Julia Tomei, Carlos Escalante Estrada and Silvia de Los

Rios brings welcome nuance to the issues of energy injustice and resilience in low-income settlements, and the tensions between formal policy and community practices. (It also resonates with the paper by Oates et al. discussed above, which considers the waste sector, pointing to *“the need for new ways of understanding and assessing the performance of community-based enterprises, which may not conform to the dominant capitalist economic paradigm”*. If “enterprises” were replaced by “practices”, this sentence could well describe this paper.) The authors point out that the SDGs, along with much of the discourse on electricity provision, focus only on whether or not a given population has access to centralized electricity infrastructure. This broadbrush measure fails to take into account the complexities of that access and the challenges surrounding it – the actual performance of the energy system, whether or not people can afford to take advantage of the provision, the kinds of compromises they have to make to pay for it and the possible alternatives. Lambert et al. look instead at energy resilience – both the resilience of the entire energy system and that of the households and communities seeking to alleviate their energy poverty. The authors focus in their research on three low-income settlements in and around Lima, Peru, and on the energy practices and strategies of their inhabitants, paying particular attention to their responses in the face of the COVID-19 pandemic. They identify three coping strategies: (1) fuel stacking (or the use of multiple and complementary fuels and technologies); (2) various collective and shared arrangements, such as joint purchase of LPG cylinders or a reliance on community kitchens; and (3) the kinds of built environment changes in the course of self-construction that can improve thermal comfort. The authors also detail the downsides of these strategies, pointing out, for example, that using painted wood or glued composite board as a fuel presents health risks; that networked cables running from households with formal connections to more vulnerable households can mean unsafe connections leading to fires or electrocution; and that improved dwellings can be at the cost of shared outdoor space or of adequate ventilation for close neighbours. These strategies, they argue, must be recognized and supported in ways that minimize the risks and injustices until governments and energy

providers find better ways to build on the strategies and needs of poor residents, and to ensure universal access to affordable, clean, reliable energy.

The paper by Smith Ouma offers a critical analysis of the participatory processes employed in developing plans for informal settlements declared as Special Planning Areas (SPAs) in Mukuru, in Nairobi, Kenya. The SPA process was intended to include inhabitants of these settlements in the official planning process for upgrading, involving them in identifying issues and ensuring that there would be constructive co-produced interventions. Ouma points out that participation can, too frequently, be superficial at best. By examining this process in three Mukuru neighbourhoods, Ouma’s study reveals that, despite the frequent pitfalls encountered, the formal legal provisions for participation, conferred by the Kenyan Constitution, had the capacity to disrupt exclusionary practices and allow for more responsive inclusive planning. The inhabitants of these settlements, supported by the grassroots network Muungano wa Wanavijiji (Kenya’s affiliate of Shack/Slum Dwellers International), were able to identify legal openings and political opportunities that allowed for a reduction in many of the potential problems and grievances, as well as an expanded recognition of their citizenship.

The Special Planning Areas initiative discussed by Ouma is just one of many programmes in Kenya focused on the improvement of the informal settlements that house so many of the country’s residents. The paper by George Kiambu Wainaina, Bernhard Truffer, Christoph Lüthi and Peris Korir Mang’ira considers a specific aspect of these upgrading programmes – the critical importance of programme learning. These programmes and the specific projects they encompass consist of multiple component processes, some of them sequential, such as design, procurement, construction and monitoring, and some of them the ongoing processes that keep projects moving forward. Ongoing programme learning is essential to ensure smooth functioning and optimal outcomes. This paper refers to the field of organizational learning for the insights it can bring to these complex upgrading programmes. Wainaina et al. apply its principles to a qualitative study of KISIP, the World Bank-supported programme that aimed to address infrastructure,

tenure and governance in 80 selected informal settlements throughout Kenya. Drawing on interviews, reports and field observations, the study identifies deficiencies and problems that might have been avoided with closer attention to the kind of cumulative learning that goes beyond regular monitoring and evaluation. Especially important is close attention to what the authors refer to as recursive processes – the coordination, collaboration and communication between actors at all levels that are essential to identifying, understanding and resolving problems as they occur. These processes can break down and fail, according to the authors, for many reasons, among them the number and diversity of actors involved, the rigidity of structures, poor information management and a lack of trust.

The paper by Abdifatah Ismael Tahir examines post-conflict statecraft in Somaliland, the self-proclaimed state that emerged in 1991 from civil war in Somalia and that has been striving ever since for international recognition. Despite the many daunting challenges it faces, Somaliland is a functioning entity. Tahir discusses its state-building process, going beyond the more common focus on peacebuilding and democratization to explore the crafting of the legal and administrative regimes that shape governance and the lived experience of the residents of Somaliland's cities. Tahir, acknowledging both the bottom-up and top-down characteristics of the state-building process, draws attention in particular to the issues of urban land governance, which he sees as a critical site for statecraft. The persistence of exclusionary top-down colonial-era statutes, despite post-conflict attempts at reform, continues to enrich the elite, and ignores the realities on the ground. Urban poverty in Somaliland is extreme: Tahir points out that one in four households cannot meet basic needs, and that 50 per cent rely on humanitarian assistance. The failure to support the capacity of these poor citizens to access land in urban areas, he maintains, has eroded public trust in the system. Despite the clear achievements of this *de facto* state, its failure to respond to this most vital need is arguably undermining the prospects for stability and state building.

Finally, we have a much-anticipated paper by Gordon McGranahan, Deborah

Balk, Sarah Colenbrander, Hasim Engin and Kytt MacManus on the high and growing population and built-up densities in the world's major deltas, where climate change hazards are also concentrating. This paper builds on and extends the influential research reported in this journal in 2007 by many of the same authors, who detailed the risks of climate change in low-lying coastal areas under 10 metres of elevation (LECZ10), where 10 per cent of the world's population is concentrated. Although the major deltas are just a small part of this low-lying zone, accounting for less than half of one per cent of the world's land area, these rich sedimentary areas have had an outsized impact on the world's urban history and development for millennia, and are home to a hugely disproportionate share of the world's population and enterprises. But they are also disproportionately vulnerable to environmental degradation and to damage from climate change through flooding in the form of sea level rise, sea storm surges and river surges, all of which are expected to gain in force in coming years. These risks are exacerbated by significant subsidence in these areas, associated both with the compaction of the sedimentary deposits, but also with groundwater extraction on the part of their massive populations. Drawing on international data sets the paper analyses the extent of the deltaic land, both that below 10 metres and 5 metres of elevation (LECZ10 and LECZ5), and their populations and built-up densities, and the rates at which these are increasing, worldwide and for separate world regions. A critical aspect of this new study is its careful account of the path dependence that essentially locks urban areas in these complex fragile ecosystems into continued and ever increasing development, a kind of "locational inertia" that is increasingly maladaptive. Although there is an urgent need to break this pattern, the authors stress the limits and constraints, and the fact that disadvantaged people are most likely to bear the brunt of any failures.

Readers may well notice how much longer this paper is than our usually very firm word limits allow for. We struggled with this. Even with a lot of supplementary material available online, this is not a paper that lends itself to abbreviation, and we were reluctant to lose it.

Its precursor is one of the most heavily read and influential papers we have ever run, and we consider it a privilege to break our own rules for this one.

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