

Balancing Urban and Rural Development – How to Reach the Goal?

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urban-rural gap, rural development, urban-rural linkage, Hanns Seidel Foundation

SUMMARY

Sustainable development is not attainable without rural development. But, in reality the importance of rural development is often disregarded. At the national and international level, often ‘rural problems’ receive less attention compared to ‘urban problems’. Migration has been identified as a survival strategies for rural population as a consequence of rural-urban inequality in living conditions. Regional inequality is worsening in many countries, which is also even evident in many developed countries. Hence, the challenge is to find criteria and measures for overcoming inequality between urban and rural living conditions in terms of hard and soft infrastructure, and aspects of life.

The study summarizes the results of a workshop organized by the Hanns Seidel Foundation, held on 12 May 2017 in Jinan, China. The workshop helped to understand the views and experiences of different professional groups (i.e. local practitioners, academics, planners, and government employees at central level) in balancing urban-rural development.

The participants in the workshop recognized that to ensure a balanced urban-rural development, a more consistent and coordinated approach is needed. The strategies for rural and urban areas cannot be discussed separately, and new opportunities for rural development should be opened up. The participants suggested that an integrated approach to rural development is an effective way to improve the well-being of rural communities. Balancing rural and urban development is multifaceted and a complex process, which needs to take into account various constraints, people's needs and priorities, coordination at local, regional and global levels, and existing and proposed development policies and programmes in the national agenda.

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1. INTRODUCTION

Rural development is of particular importance in Sustainable Development Goals (SDGs), as in many developing countries over half of the population live in rural areas. Without rapid progress in reducing and eliminating hunger and malnutrition by 2030, the full range of SDGs cannot be achieved (FAO 2015). The battle to end hunger and poverty must be principally fought in rural areas, which is where almost 80 percent of the world's hungry and poor live (ibid). Achieving sustainable development goals, therefore, will not be possible unless agricultural productivity and rural incomes increase.

Though the development of rural areas has received increasing attention globally, especially over the past three to four decades, still the focus on the rural oriented economic development policies has not been among the highest national policy in many countries, especially in the third world. Food security is one of the biggest challenges in rural areas. Rural development also faces the question of scarce resources. Therefore, migration is often a deliberate decision of rural people which is the visible consequence of rural poverty and food insecurity, lack of employment and income opportunities, limited access to social protection, climate change and environmental degradation.

A study undertaken by OECD (2016) shows that a large gap in economic and social conditions remain between urban and rural populations. Income inequality is even worsening within many developed countries, and regional disparities in housing, safety, health and employment inside countries are also growing wider in many cases. A large, persistent informal sector, widespread regional divides (e.g. urban-rural), gaps in access to education, and barriers to employment and career progression for women are often the key sources of inequality (OECD 2015).

It is evident that development of rural areas is a key to a country's ability to eradicate poverty, overcome hunger, create decent rural jobs, and thus to attain a balance between urban and rural areas for sustainable development. Integrated rural development is a 'goal', and at the same time also a 'strategy' which needs a transdisciplinary comprehensive approach. Along with successful application and implementation of approved development instruments (i.e. spatial and land use planning, land consolidation, village renewal), urban-rural development coordination is necessary. In this respect, well organized, dynamic, active and coordinated local groups, institutions and organizations are essential, which will navigate a pathway towards a balanced urban-rural development. More attention should be paid to local assets, and 'soft' (e.g. health, education, social security etc.) and 'hard' (i.e. roads, bridge, rail etc.) infrastructure. According to Klaus et al. (2017) a special attention has to be laid on the rural areas to have an inclusive rural territorial development, which covers all aspects of life and daily needs in rural areas and countryside, and guarantees an equal distribution of opportunities. Balancing urban and

rural development is a profound social transformation, as well as an arduous and complex systematic project that requires good leadership, careful arrangements and painstaking preparations in order to make substantial progress (Liangyu 2010).

2. BALANCED URBAN-RURAL DEVELOPMENT WITHIN GLOBAL AGENDA

Development imbalance in urban and rural areas is a major obstacle to achieving sustainable development goals in most developing countries. Urban-rural disparity resulting from different development patterns in rural and urban areas leads to a wide gap in living condition of rural-urban population. According to UN-Habitat (2015) achieving sustainable development is maximized if (a) there is a definite departure from the political, social and geographical dichotomy between urban and rural urban areas; and (b) an understanding of the continuum of space between the rural and urban development. A balanced urban-rural development does not mean that urban and rural areas should develop at the same pace. Rather, a reciprocal relation is necessary which should be constructed upon a foundation of different dimensions of equality.

The view of ‘urban’ and ‘rural’ as separate and conflicting space began to change in the late 1990s towards place-based approaches and rural-urban linkages (Douglass 1998; Tacoli 2006; van Leeuwen, Nijkamp 2006 quoted in Eppler, Fritsche and Laaks 2015). An alternative and more integrative approach to space is the concept of urban-rural linkages (Eppler, Fritsche and Laaks 2015). Urban-rural linkage can be defined as

“Linkages across space (such as flows of people, goods, money, information and wastes) and linkages between sectors (for example, between agriculture and services and manufacturing). In broad terms, they also include 'rural' activities taking place in urban centers (such as urban agriculture) and activities often classified as 'urban' (such as manufacturing and services) taking place in rural settlements” (IIED 2012).

In the recent years within global agenda, the concept of urban-rural relationship or urban-rural linkage has emerged as a way of promoting the concept of balanced urban-rural development or integrated urban-rural development.

- The European Spatial Development Perspective (ESDP), adopted at the informal Council of Ministers responsible for Spatial Planning in Potsdam (May 1999), underlined for the first time the need for urban-rural partnerships, stressing the importance of a balanced spatial development. In the EU Territorial Agenda 2020 building on the ESDP, there is a growing understanding of the importance of balanced, sustainable and integrated territorial development, taking into account functional links in and between territories, notably rural and urban areas (Slavova 2017).
- The FIG Marrakech Declaration 2004 stresses that the discrete consideration of rural development as completely distinct from urban development, is no longer valid and is

replaced by the urban-rural linkage development approach, which generally refers to the growing flow of capital (public and private), people (migration and commuting) and goods (trade) between urban and rural areas.

- UN-Habitat Resolution HSP/GC/24/3 on “inclusive and sustainable urban planning and elaboration of international guidelines on urban and territorial planning” reinforces the importance of regional planning, which addresses the need of urban and rural spaces.
- SDG11, target 11a also aims to “support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning”. SDG9, Target 9.1 further promotes the development of “quality, reliable, sustainable and resilient infrastructure, including regional and trans-border infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all”.
- The New Urban Agenda, adopted by Member States of the UN in Quito, Ecuador, in October 2016, carries forward and supports the policies and strategies for the urban-rural continuum (paragraph 15(c), 82 and 95).

Urban-rural linkages are recognized as an important tool for the sustainability of human settlements and full advantage must be taken of the existing and potential complementary contributions and linkages of urban and rural areas, by balancing their different economic, social and environmental requirements (UN Habitat 2017). According to OECD (2013) urban-rural linkage can be classified under five main categories which help identify the different drivers of interactions and the rationale for possible policy interventions – demographic linkage, economic transaction and innovative activity, delivery of public services, exchange in amenities and environmental goods, and multi-level governance interactions.

Entry points and approaches to a balanced urban-rural development will vary from country to country and will depend to a great extent on local opportunities and problems faced by the rural sector and the prevailing pattern of urbanization. However, according to IFAD (2015), from policy perspective main areas of work should include readdressing rural marginalization through inclusive governance, promoting investment in rural section and improving rural-urban connectivity. UN Habitat (2015) have been identified following measures as possible action entry points for urban-rural linkage.

- Spatial flows of products, services and information/expertise between urban and rural areas
- Reducing environmental impact in rural-urban convergences
- Urban-rural continuum in the face of conflicts and disasters
- Mobility and migration between urban and rural Areas
- Rural urbanization - the development of small and intermediate towns
- Territory and spatial planning for balanced urban and rural development

- Food security, systems and a ‘sustainability chain’ for all
- Enhancing legislative and governance, and capacity for urban-rural partnerships
- Inclusive investment and finance in both urban and rural areas
- A global partnership on promoting urban-rural linkages

3. METHODOLOGY

This paper summarizes the key findings of a workshop that took place on May 12, 2017 during the conference on ‘Integrated Development of Rural Areas and Territorial Governance’ organized by the Hanns Seidel Foundation, May 11-13, 2017 in Jinan, China. The workshop was conceptualized as a sequence of presentations and panel discussions. The participants engaged in a group work to flesh out the discussion in relation to a set of questions provided to them. Around 60 participants worked in a homogeneous professional group, i.e. group members were having the same professional background. This helped to understand the views and experiences of 4 professional groups (i.e. local practitioners, academics, planners, and government employees at central level). The participants were high-level ministry and provincial officials, project leaders from international development organizations, academics, eminent researchers and practitioners from Germany, China, Malaysia, Philippines, Lao PDR, Cambodia, South Korea and Vietnam.

Each group was asked to elaborate on the following questions within the working group and present answers.

1. What are the different factors underpinning the differences between urban and rural?
2. What measures should be undertaken to ensure a balanced urban and rural development?
3. What will be the role of the professional group to address the issues?

3.1 Hanns Seidel Foundation at a glance

The Hanns-Seidel-Foundation (HSS) is one of the seven non-profit political organizations in the Federal Republic of Germany. It runs around 100 projects in more than 60 countries worldwide, which has unique implementation process with direct funding from the German Government. The focus of these projects is on strengthening civil society, civic involvement and promoting the rule of law, education and management training, raising environmental awareness, advising decision-makers in politics, and business and administration. Core concern of the international cooperation is fighting poverty and to enhance sustainable development.

The HSS has been represented in People's Republic of China for more than 30 years. The organization undertook and implemented projects within the development cooperation. From the beginning, the projects in China are funded by the Federal Ministry for Economic Cooperation and Development. Therefore, the HSS is a part of the Official Development Assistance of the Federal Republic of Germany. Based on the guiding principles of the HSS, the foundation addressed issues in the field of politics and society, education, vocational training, and

development of rural areas. A joint declaration on the Establishment of Friendly Relations between Shandong Province and the State of Bavaria was signed on 9 July 1987. The HSS, in collaboration with the Bavarian State Ministry for Food, Agriculture and Forestry, established a pilot project in 1989 for land consolidation and village renewal, which can be regarded as first modern approach in China that still shows an improvement of living condition and increased income. The success was clear and it became evident that there must be more research and training to implement and adapt the measures. As a logical follow up action, in 2004 a Research and Education Centre for Land Consolidation and Rural Development (BFL) in Qingzhou, Shandong province was founded in cooperation with the National Ministry of Land and Resources and the Provincial Government of Shandong. On the occasion of the 30th anniversary of the cooperation, the HSS being supported by Centre of Land Consolidation and Rehabilitation (LCRC) and Chinese Land Survey and Planning Institute (CLSPI) under the Ministry of Land and Resources, P.R.China hosted the international conference on ‘Integrated development of rural areas and territorial governance’.

Through the development of concepts and model projects for the development of rural areas, the HSS is showing ways to improve the living and working conditions of the rural people aiming at balancing rural and urban areas, while taking into account the ecology and broad citizen participation.

In the field of land management the HSS has a very close cooperation with the Chair of Land Management at the Technical University of Munich and the School for Public Administration of Policy at the Renmin University in China. The organization intends to implement the global academic partnership in the field of land management, which is an inevitable component of systematic capacity development (see Magel et al. 2009).

4. FINDINGS AND DISCUSSION

4.1 Key Findings

The section presents the key findings of four groups.

4.1.1 Group 1: Government Employees at central level

The group agreed that it is necessary to acknowledge the strength of rural and urban areas. The participants pointed out that beautiful landscape, fresh air and food, cheaper living costs, no traffic jams are the pull factors for rural areas, whereas urban areas offer greater opportunities for health care, education, infrastructures, job opportunities, utilities and services. In fact, the rural-urban gap in living standard is a major source of inequality.

The participants recognized that to ensure a balanced urban-rural development, a more consistent and coordinated approach is needed and therefore, the following measures should be undertaken by the public and private sector, and NGOs.

- Shift financial focus to rural areas
- Effective spatial planning and implementation of land consolidation projects
- Undertaking relevant pilot projects
- Capacity building
- Dealing with gender issues
- Flexible policy framework that can adapt to specific rural needs
- Marketing strategies for rural areas
- Provision of contract farming (private to private)

The government employees think that through policy advice government employees can promote a balanced rural-urban development.

4.1.2 Group 2: Academics

The group worked on assembling factors underpinning the differences between urban and rural. The group pointed out that certainly most rural regions are poorly equipped in terms of infrastructures, public services and education facilities to attract investment priority. Lack of market accessibility, shrinking demography and social problems cause further challenges. Therefore, in particular, much consideration should be given to the following measures:

- Investment in rural infrastructures
- Attract more businesses
- Access to market through proper distribution system
- Creation of job opportunities
- Adequate education facilities including higher education
- Regulations to protect agricultural land
- Green energy

The working group stressed the key role of academics to facilitate the equal living conditions in rural and urban areas within coherent regional development strategies. Through policy advice, relevant research, international educational cooperation and explicit commitment to capacity development, the academics can provide the roadmap for a balanced rural-urban development.



Photo 1 & 2: Participants are working in a group

4.1.3 Group 3: Planners

The group recognized that the most influential factors for the rural-urban gap in people's well-being are income disparity, lack of adequate infrastructures and inadequate investment in the rural sector. Evidences show that in many countries, rural development policies are relatively marginal in National Policy Framework. The group suggested the following measures:

- Government should frame interventions to rural development policy
- Planning process and policies must consider the specific characteristics of rural regions
- Taking necessary measures for poverty alleviation
- Funding from local and/or central government is needed to support land consolidation

The group acknowledged that planners can play a key role to ensure a balanced rural-urban development. Planners should adopt the broader concept of 'land management'¹. Focus should be given not only on improving productivity, but also on the overall management of land. This professional group should adequately contribute to policy making and advocate a participatory approach to planning.

4.1.4 Group 4: Local Practitioners

The local practitioners worked in Group 4 were Chinese. Therefore, the findings focused on rural-urban inequality from Chinese perspective.

China's land system was recognized by the group as one of the factors that underpin the gap between urban and rural areas in China. Rural land is collectively owned by local villages or

¹ It is the central in the planning process comprising the complex task of surveying, appraising, redistributing and administering; it applies for both rural and urban land (Magel 2003). In a broader sense, land management encompasses all activities associated with the management of land and natural resources that are required to achieve sustainable development (Enemark 2006).

townships, and farmers can only avail of the right to rent the land. China is also in the midst of rural-urban migration due to imperfect social security system, resulting in an increase of idle lands. The group assumed, all these circumstances have negative impacts on Chinese rural development.



Photo 3: Findings of a group



Photo 4: A group presenting their findings

In response to these challenges, the local practitioners suggested the following measures:

- Further reform of the rural land system
- Promoting development of rural areas, especially the agri-business
- Reform of the rural social security system

The Chinese local practitioners believe that through developing a consensus view of the rural opportunities they can facilitate favorable policy development.

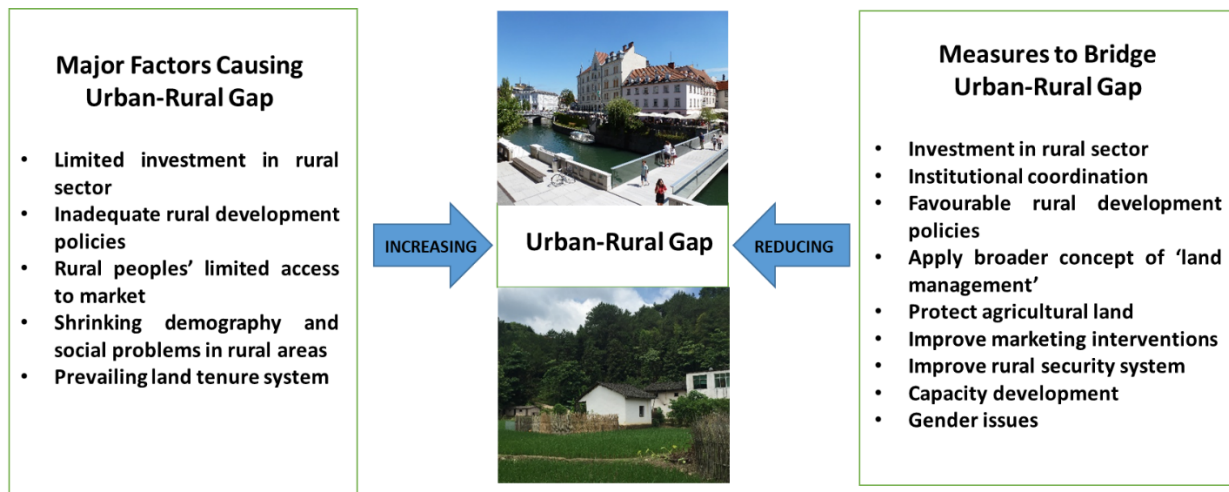
4.2 Discussion

The workshop participants recognized that the goal of developing a coherent and coordinated approach for a balanced urban-rural development should be a part of the national policy, which is often neglected. The rural policy should take into account the different development needs of rural regions and make better use of existing potential of the region to utilize local opportunities. Furthermore, attention should be given to an integrated approach instead of agricultural based focus. The participants also stressed that being backed by effective spatial planning, well-tested land management tools (e.g. village renewal, land consolidation) and methodologies (e.g. participatory approach) can contribute to bridge the gap between urban and rural.

During discussion the participants stressed that rural development process is often suppressed by urban interest. Therefore, rural-urban gap is a long standing problem in many countries. Rural communities cannot exist and thrive without appropriate public services and infrastructures, which are still inadequate in rural areas, especially in developing countries. In response to this demand, investment in public services and infrastructures in rural areas should

be a major priority, which will contribute not only to agricultural production growth, but also to the development of rural non-farm sectors.

Figure 01: Problems and opportunities of urban-rural gap



It was further recognized that an efficient and functioning marketing system is a precondition for agricultural diversification and equal income distribution. However, rural people often face difficulties in accessing markets and lack of storage and processing facilities, and high transport costs, which reduce the income level. This calls for marketing interventions to bring an improvement in the marketing of agricultural products and for promoting strategies for increasing food security.

The Chinese participants referred that the dual urban-rural land tenure structure in China has led to obvious gaps in urban and rural income structure. In this respect, an effective rural reform is necessary which should encompass social welfare and more productive use of land. They further stressed that the future of rural development depends on the social security system (i.e. pension, social insurance coverage) also, which is essential to fill the existing gap between urban and rural areas.

It was realized that for a successful regional development transparent and fruitful coordination, and cooperation amongst all stakeholders at different levels are necessary. It is clear that well-functioning institutions are a fundamental for the future of rural areas.

There was also a broad consensus among the participants that the capacity development is important. Ensuring adequate capacity development at individual, organizational and societal level is necessary for the formulation and implementation of policies and strategies that will lead to a balanced urban-rural development and an integrated territorial approach. Similar attention should be paid on gender issues (e.g. women's access to land) also.

The conference expressed unanimous approval of involvement of professional groups in rural development process. The participants agreed that different professional groups should support developing strategies, tools and capacities in the process of achieving sustainable development goals, aiming to reduce the rural-urban gap and to improve livelihood of rural people.

5. ENTRY POINTS AND APPROACHES TO POLICY AGENDA

Based on discussions and participants' views on the challenges and opportunities in reducing the urban-rural gap, following key recommendations were underlined as a first step:

Role of Universities

Developing capacity is a part of the development process and universities are an inevitable component of capacity development. The universities should conduct interdisciplinary research that aims at understanding the potential roles of rural areas in sustainable development. Further, universities should aim at contributing to policy making through developing principles, strategies and processes to reduce the gap between urban and rural.

Value chain in rural development

Value chain analysis (the full range of activities that firms and workers do to bring a product from its conception to its end use and beyond) is a prerequisite for successful interventions in rural development. Improvement of value chain competitiveness is seen as an approach, which can considerably contribute to generate rural employment and a better income for farmers through developing strong linkage and collective action.

Knowledge sharing

Plenty of examples showed that knowledge sharing is a crucial part of development. Knowledge sharing can track and evaluate country or location specific practices, and allow to draw out the effectiveness, weakness and criticism of various rural development approaches.

Digitalization and mobile services

Digitalization and mobile services can be a driver of rural development. There is a growing recognition that digitalization as a tool can facilitate knowledge sharing and new wealth generating processes.

Need for rural conferences

Sustainable development is not attainable without rural development. But at the national and international level, often 'rural challenges' receive less attention compared to 'urban challenges'. Rural conferences can raise awareness and set a new rural agenda, contributing to sustainable and equitable living standards for all. Explicit commitment of international organizations to arrange rural (not only agriculture) conferences (and rural summit) can demonstrate the importance of rural development in attaining sustainable development goals.

6. CONCLUSIONS

It is evident that there is no single criterion to ensure a balanced urban-rural development. It is a continuous process, and development approaches vary across national and regional contexts. Moreover, there is no single model of successful regional development, which can be applied everywhere. However, there is a need for countries to learn from each other the lessons and experiences gathered in order to formulate more effective urban-rural development agenda. Rural development should be a major concern of developing countries, particularly those with large and poor rural populations, and its importance should be reflected in the structure, framework and objective of a country's national policy.

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BIOGRAPHICAL NOTES

Fahria Masum is a consultant in Land Management and Land Policy. She gains more than 10 years of international experience in education and capacity development with key expertise in education strategy and policy development in land sector. She took part in consulting projects funded by the World Bank, GIZ, GLTN/UN Habitat and Hanns Seidel Foundation. She served Chair of Land Management at the Technical University of Munich (TUM), Germany as a scientific staff during 2007-2016. She was the coordinator of the Master's Programme and Doctoral Studies Land Management and Land Tenure at TUM. Fahria Masum holds a PhD from the Technical University of Munich in urban land management.

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