Managing Asia's Rapid Urbanisation for Social Progress

Team Members:

Febi Mutiara	***Indonesia***
Theo Audi Yanto	***Indonesia***
Yumiko Takashima	***Japan***
Philip Miguel I. Ranada	***Philippines***
Melissa Shamini Periasamy	***Malaysia***
Joel Ho Chun Hong	***Singapore***
Poh Wei Leong	***Singapore***
Atcha Piyatanang	***Thailand***

Key Statement:

Achieving Social Progress: Managing Rapid Urbanisation through the Shared Stakeholder Approach and Multi-Hub Model

I. Introduction

The astounding growth experienced by Asian countries in the face of globalisation has led to heightened urbanisation therein. While this phenomenon is generally taken to be a step towards greater economic performance, the pace of urbanization has so outstripped the capacity of cities to meet the influx of peoples as to have produced adverse social consequences.

"The pace of urbanization has so outstripped the capacity of cities to meet the influx of peoples as to have produced adverse social consequences."

Asia then is compelled to probe deeply into the phenomenon of urbanisation in the hope of discovering ways in which to harness it to gain not only the economic benefits usually attendant thereto but also to secure social progress.

II. Dual Aspects of Urbanisation

Urbanisation as a social phenomenon has two faces. The first treats it as a process wherein rural dwellers relocate to urban centers in the belief that such migration will secure for them greater advantage not only of an economic nature, but encompassing psychological, cultural, social, and political aspirations as well.

The second aspect views urbanization as the ability of cities to cope with an ever-increasing population. Capacity augmentation often entails the expansion and strengthening of a city's social, economic, and physical infrastructure to accommodate population increases and effectively harness the added human resource input to achieve growth and development.

It must be stressed at this juncture that urbanization per se is not pernicious. Rather, what is harmful is inordinately rapid urban population growth relative to a city's ability to meet it.

III. Holistic Concept of Social Progress

In the past, social progress was measured in almost purely economic terms. Modern conceptions of the term, however, recognize the multi-dimensional nature of the human being. Thus, it can be said that social progress refers to the sum of the economic, cultural, social, and political conditions that enables people to achieve fulfillment.

IV. Problems of Rapid Urbanisation

Reckless rural-urban migration has caused problems for both sides of the relationship. The most glaring of these is the proliferation of slum areas in cities. Squatters illegally occupy government or private land, thereby lessening its economic value and potential. They are seen as hot beds of crime and disease.

Rapid increases in urban populations strain the existing social, economic, and physical city infrastructure and affect the community in general. Congestion has led to chronic traffic problems, illegal tapping of water and electricity lines, dilution of health care resources, and, inter alia, has caused social tension between economic classes that often translates into a general atmosphere of mistrust and uncooperativeness at times culminating in violent public demonstrations or riots.

On the other side of the coin, the depletion of human resources in rural areas has further dampened their economic hopes. As young rural dwellers relocate to the city, there are fewer hands available to work the fields or the nets and fewer minds to receive instruction on indigenous methods of livelihood. The drain assures low development ceilings which rural areas may reach but never exceed.

V. Causes of Urbanisation

First Aspect

Globalisation, trade and the emergence of technologically-driven industries have shifted focus and priority from traditional agricultural modes of production to those anchored on knowledge and information. In Asia, the phenomenon of the supercity is prevalent. This metropolis is often the center of economic and political activity in the state. The power density that results tends to skew institutions and resource-allocating mechanisms towards this central authority. For example, the lion's share of national government fiscal allotments is assigned to the supercity, with progressively peripheral regions receiving progressively less. This monocity bias concentrates opportunities and resources in a single location. Rural communities naturally gravitate towards it, resulting in rapid rural-urban migration.

Second Aspect

The inability of cities to meet the economic and social pressures brought upon by population growth is caused by rigidities that prevent institutions from readily adapting to change. Regulatory inertia produced by inadequate channels of information translates into the absence of actions aimed at capacity building and augmentation. This is exacerbated by uncoordinated, uni-sectoral solutions whose failure to engage all concerned players to direct their efforts towards a focused goal results in defeat.

VI. Solutions in Managing Rapid Urbanisation

An effective answer to reckless urbanization requires addressing the dual aspects of the phenomenon. The macro framework of this paper's proposed solution is the identification and development of distinct points of economic growth around the state followed by a prudent clustering of rural areas around them. Efficient and effective channels of information and resource transfer between these nodes of growth and its satellite rural components must then be formed to ensure healthy economic development in the countryside.

While this method is directed towards stemming rural-urban migration, another approach must be formulated which considers how central metropolises, other cities, and rural areas can improve capacity-building efforts and structures within their own respective territories. It is submitted that multi-sectoral participation in information gathering, analysis, action implementation, and evaluation based on a shared stakeholder outlook would dissolve internal institutional rigidities that prevent capacity-building from taking place.

Multi-Hub Model

A while back it was said that the grossly disproportionate amount of resources and opportunities flowing towards central metropolises had created a single point within a state to which all people gravitate, leading thus to rapid rural-urban migration. Mitigating this requires the multiplication of economic centers around the country. This decentralization of economic advantage can be achieved by the formation of "hubs."

A "hub" refers to a geographical point surrounded by rural areas whose relative economic prosperity relative to the latter allows it to be a suitable end-market for rural products and the beneficiary of fiscal advantage and regulatory attention. It serves as a catalyst to the development of the peripheral rural communities, alleviating the pressure exerted by push factors that drive rural dwellers towards big cities.

Determining a suitable hub site may occur in several ways. In most cases, the selection of a hub's location has already been naturally determined. Certain areas within a state are blessed with geological, geographical, and natural resource advantages that need to be exploited. Hubs may also be anchored on already available cities, as the presence of pre-existing infrastructure and economic activity make them a logical and intuitive choice. In any case, the point is stressed that the proper first step in implementing the hub model requires national governments to coordinate with local governments in identifying areas outside the central metropolis that may readily serve as a node of economic development.

The next stage demands that government cluster rural areas around the hub. Logically, rural areas contiguous to hubs would be grouped around the latter. Rural areas other than this must be parceled to different hubs on the basis of an intelligent standard. While geographical proximity is an influential factor in the formulation of this standard, the complementarity between the economies of a rural community and a hub must also be taken into account.

Once hubs and rural areas clustered around them have been identified, national and local government effort must coordinate and focus towards properly developing the potential of these hubs by providing an enabling regulatory structure and implementation scheme. Rural government policy and economic activity must then be calibrated to increase complementarity between rural satellites and hub centers. The resulting cooperation would produce a healthy synergy whose benefits could not have otherwise been achieved if each of the component parts had operated alone.

> *"This decentralization of economic advantage can be achieved by the formation of 'hubs'."*

It must be stressed that a hub-satellite group need not be a distinct, independently existing legal entity or municipal corporation. At the most, each group would simply be a political entity identified only for the sake of administrative convenience and planning. What may be pointed out, though, is that decentralization understood as a devolution of political power heretofore reserved for the national government to local governments is important in securing the benefits of the Hub Model. While the details of such are beyond the scope of this paper, it will be sufficient to state that the development of rural-hub complementarity would be facilitated if the local governments directly concerned had a greater voice in the policy to be enunciated, and flexibility in the actions to be implemented.

Shared Stakeholder Approach

Managing rapid urbanization through the Hub Model would be extremely difficult if not impossible if the model's component parts - urban centers and rural areas - failed to develop internally. On one hand special note is taken of the increasing incidence of squatting in urban areas. On the other, enlightened urban planning must be achieved to develop institutional capacity and adaptability to changing circumstances and conditions.

The Squatter Problem

Methods currently employed to eradicate slum dwellings often end up in failure because of the lack of multi-sectoral supportive participation. Most glaringly, the squatters themselves are not given an integral or active role in the very programs meant to benefit them.

The first step in limiting slum areas is for local governments to make a determination of the geographical location upon which the poor sectors of the population must set up their residences. There are two options in this regard. The first consists in relocating slum dwellers to suburban areas. This option is only feasible, however, if the relocation site is close to income centers which would allow the inhabitants to earn a livelihood.

The second option allows the squatter community to retain the land they presently occupy under a land sharing arrangement with the private landowner. While this alleviates the pressure to provide the slum dwellers with centers of livelihood (because income opportunities already exist in the city), land sharing agreements require a careful calibration of the legal rights of both squatter and landowner. Some form of compensation either in the form of rent (for a temporary occupation) or expropriation costs (if the lots are to be bought) must be given to the latter in exchange for a partial surrender of prerogatives. In both cases, the cost implications must be fair and feasible for all parties concerned.

Once a housing area for the poor has been established, the entire community must be brought in to ensure its success. Government must provide an enabling policy structure that provides incentives for active multi-player participation. The private sector can be brought in to provide small loans or seed money to allow the jump-starting of small businesses. At the same time, the interests of these financial institutions to maintain accounting stability can be met by channeling the credit to institutions instead of individuals. These institutions may either be non-governmental organizations (NGOs) or associations or cooperatives composed of members of the slum community themselves. If the latter choice is opted for, NGOs can step in to provide the relevant managerial or technical training needed to handle investments.

NGOs can also be relied upon to provide livelihood-specific education. In rural areas, this may be in the form of agricultural, fishery, or animal husbandry training. Urban communities would benefit from cottage-industry type training. Once an adequate amount of instruction has been met, the private sector must be encouraged to invest in the actual set-up of businesses under a prudent profit-sharing arrangement.

The last and perhaps most important piece of the solution requires the active participatory engagement of the slum dwellers themselves. Relocated squatters would be less inclined to return to their original dwelling areas if they themselves had built their homes. Credit would be better managed if their beneficiaries knew that they had a direct stake in its use. The cooperation that would ensue between squatters and the other players would foster a sense of solidarity that obviated mistrust and tension. Moreover, the delegation of tasks to the squatters instead of retaining third parties in employ would lessen the costs of development.

Urban Planning

Urban planning plays an important part in increasing the capacity of cities to cope with population growth. Poor planning leads to inefficiencies and institutional rigidities that hasten diminishing returns and cause unused capacities. In contrast, good planning can allow a city to take in more than what the average would permit.

Meaningful planning starts with efficient information channels. Local governments in Asia are notorious for keeping poor track of economic and social data. This prevents the formulation of meaningful policy.

Better record keeping and accounting must be attained to allow planning to be based on a genuine appraisal of the situation. Local government units would do well in gathering qualitative input from sectors of the population. This recomendation is particularly applicable to rural communities, where farmer or fisherfolk problems are more descriptive than analytical.

The next stage requires analysing the available information and developing plans of action. Unilateral planning must be abandoned in favor of multi-sectoral consultation to ensure that all concerns are properly addressed.

Planning is of course useless without proper implementation. Basic is the development of adequate infrastructure such as water and electricity systems. Zoning regulations promote efficiency and allow for easier regulation of industries. Implementation effectiveness can be better achieved if the responsibility of implementing key programs is not left to one sector, but to a team composed of members of government, NGOs, and the private sector.

VII. Conclusion

Too much of a good thing is bad. While urbanisation is in many respects a positive social and economic development, it becomes a pernicious phenomenon when its pace outstrips the ability of states to cope with the increased influx of peoples into cities.

Resolving the problem requires mitigating rural-urban migration. This can be achieved by identifying resource-rich regions and developing them into multiple centers of economic activity outside megapolises in order to develop a more equitable distribution of income and opportunity. Rural areas may then be clustered around these economic hubs to benefit from the latter's high demand for raw materials.