

An overview of urbanization, internal migration, population distribution and development in the world



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Main points

1. Internal Migration
2. Population distribution and population ageing
3. Development and poverty in an urbanizing world

Data sources

- Urban & rural population and urbanization rates: UN/DESA Population Division *World Urbanization Prospects: The 2007 Revision*
- Urban & rural population by age and sex: UN/DESA Population Division, based mostly on national censuses
- Internal migration: censuses, DHS
- Economic indicators: World Bank (2007), ILO, FAO (2007)

1. Internal Migration

a. Migration and the components of urban growth

Urban population growth is determined by natural increase, **rural-urban** net migration and reclassification

The available evidence* suggests that natural increase is a major contributing factor: **in at least 2/3 of the countries of each region, natural increase accounts for over ½ of urban growth**

a. Migration and the components of urban growth

Regional differences: Natural increase has become increasingly important in most of Latin America and the Caribbean, is important in Asia, but less so in Africa.

Notable exceptions in Asia are China and Indonesia, where migration and reclassification has accounted for 70% to 80% of urban growth in some past decades

b. Migrants characteristics

Economic theory suggests that important motives to migrate are higher expected earnings at possible destinations, cash income, and risk insurance/diversification

Evidence shows that:

- intra-rural and intra-urban migration are as important or often more important than the rural-urban flows

b. Migrants characteristics

- Female migrants are predominant in some flows, e.g.,

in rural-rural migration in Egypt and India;

In rural-urban migration in Brazil, Honduras, Philippines and Thailand

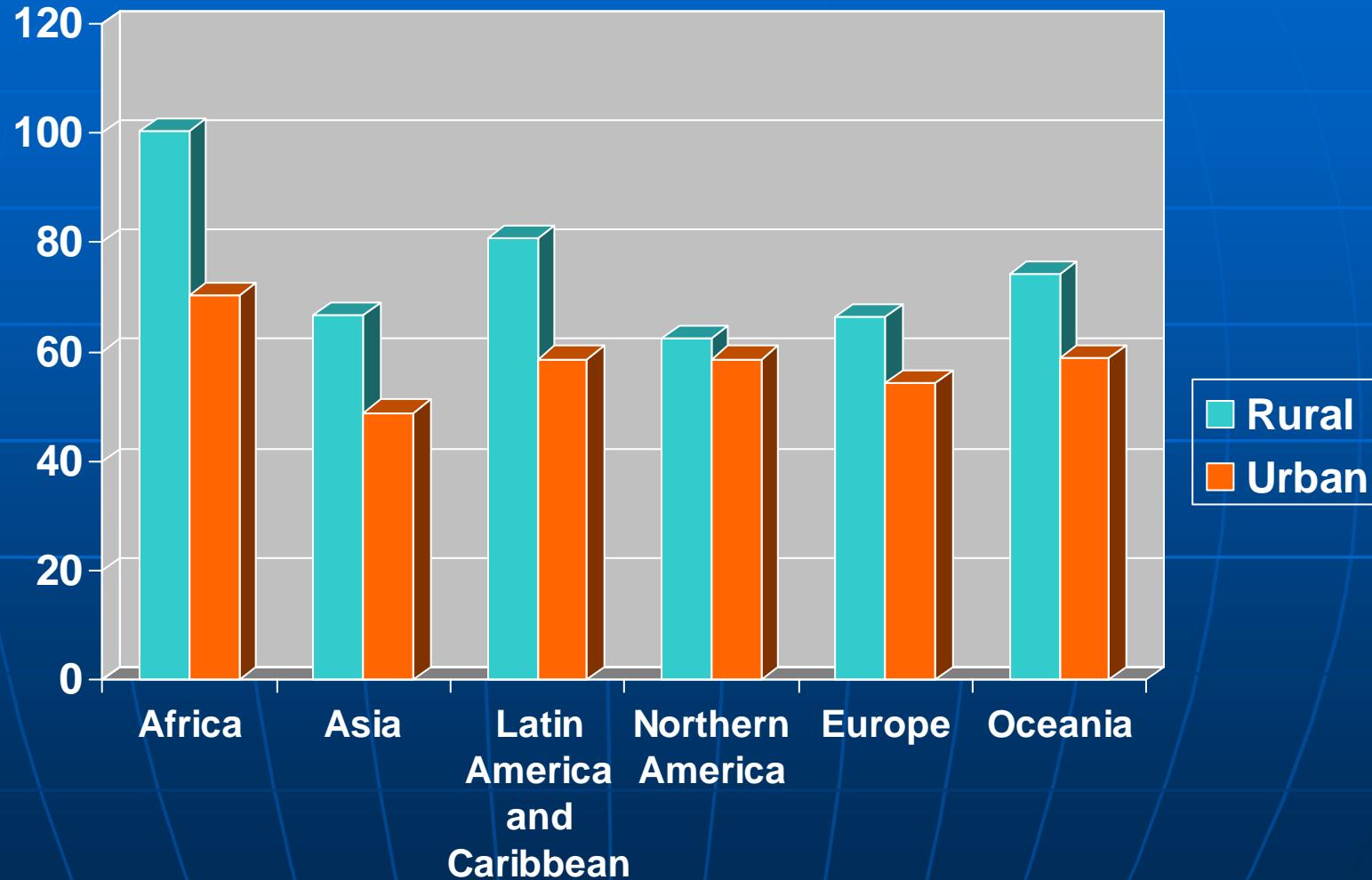
- Migrants are generally positively selected by education and skills. Migration is beneficial for them, their families, and for the redistribution of labor towards higher productivity occupations

2. Population distribution and population ageing

Population distribution and ageing

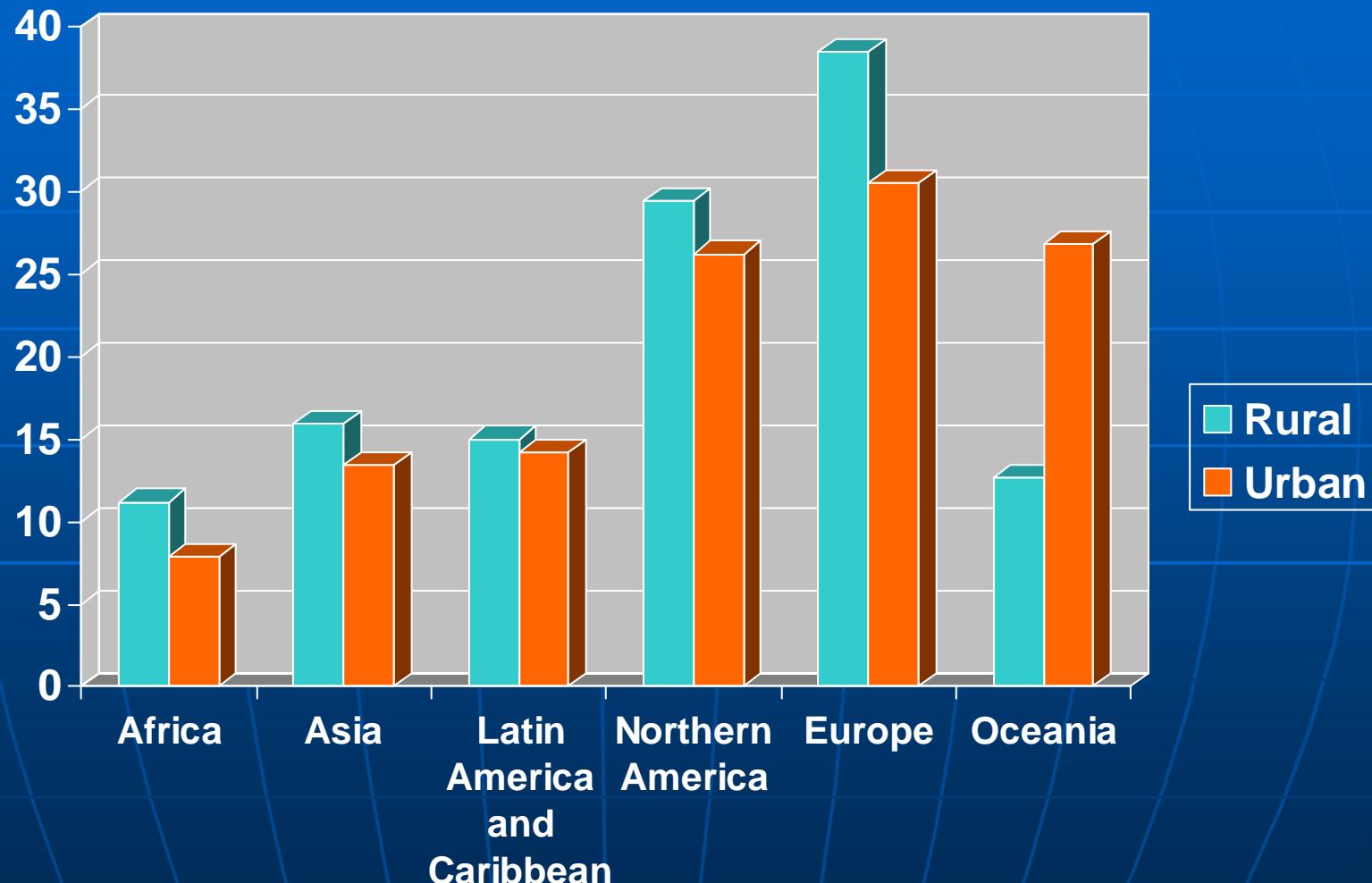
- Fertility and mortality are almost always lower in urban than in rural areas, so that (in the absence of net rural-urban migration), **urban** areas would have older age structures than **rural** areas; i.e., lower child-dependency ratios and higher old-dependency ratios than rural areas

Urban areas have indeed lower child dependency ratios than rural areas...



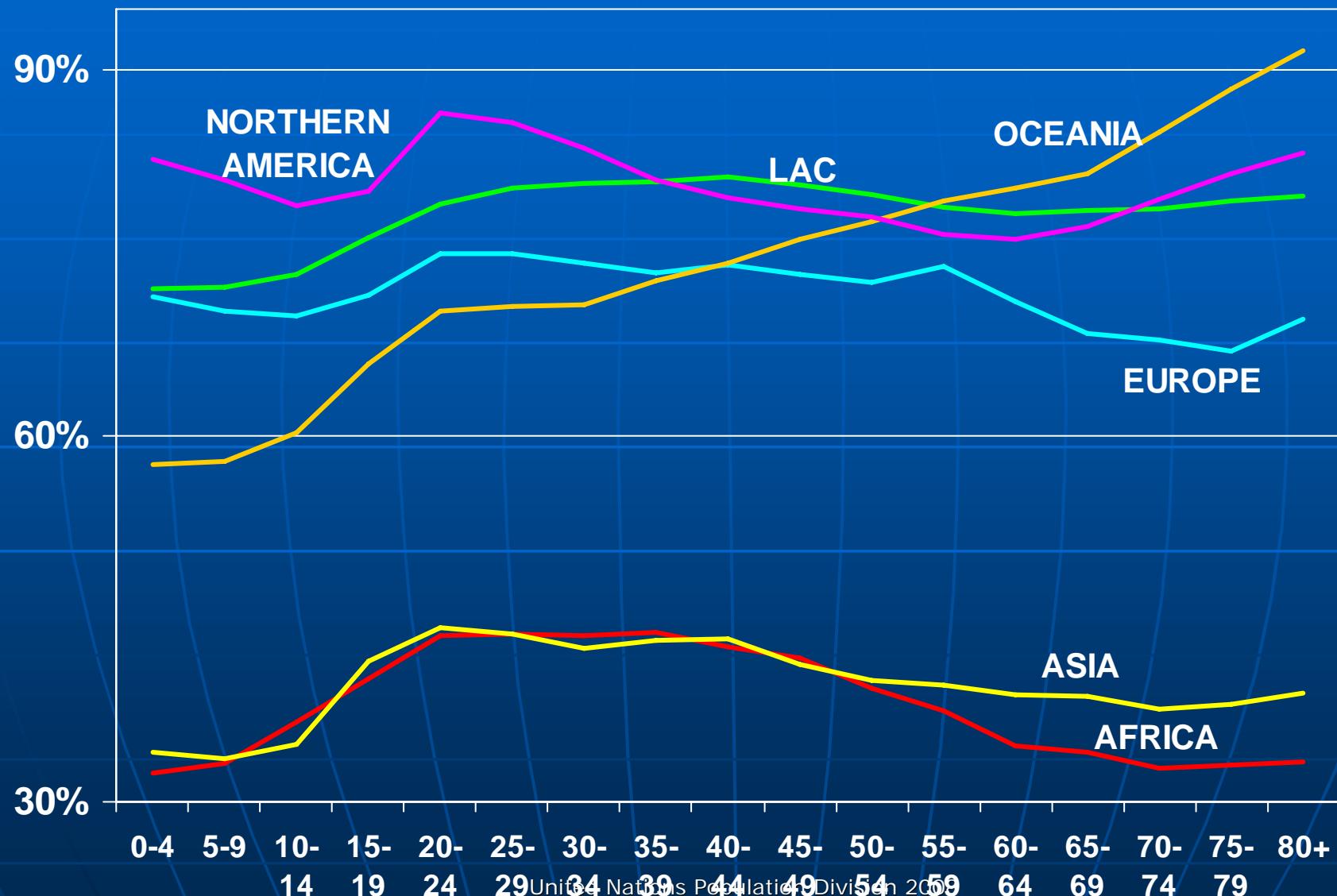
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...but also have lower old-age dependency ratios than rural areas



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Proportion urban by age, major regions, 2005*



In sum:

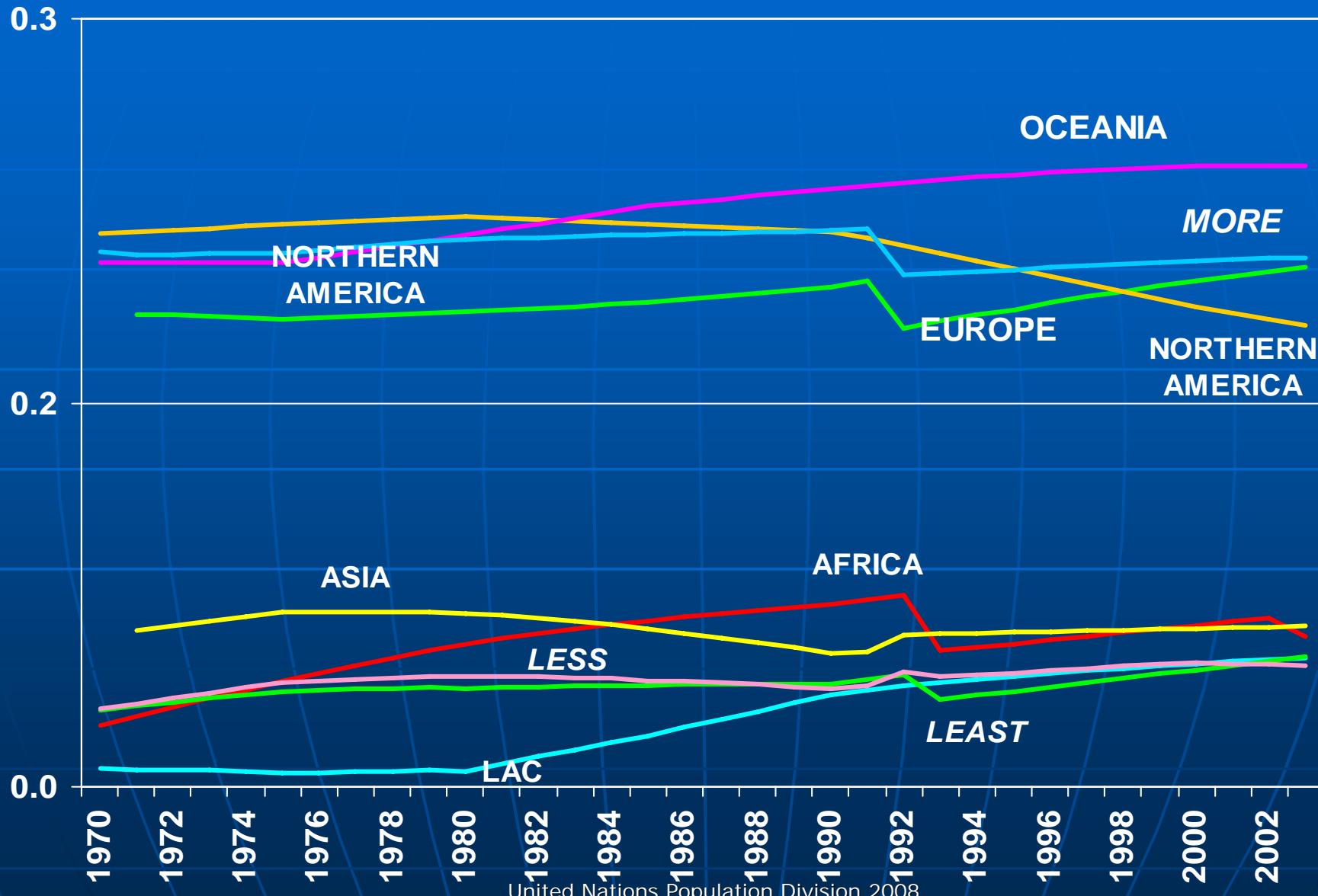
- The lower rates of natural increase in cities and the relatively high urbanization rates of young and middle-aged adults...
- Lead to lower dependency ratios and a greater potential demographic dividend in urban areas
- This provides an opportunity for development, whose realization depends on appropriate institutional settings and comprehensive policies

3. Development and poverty in an urbanizing world

Macro-level associations between urbanization and economic change

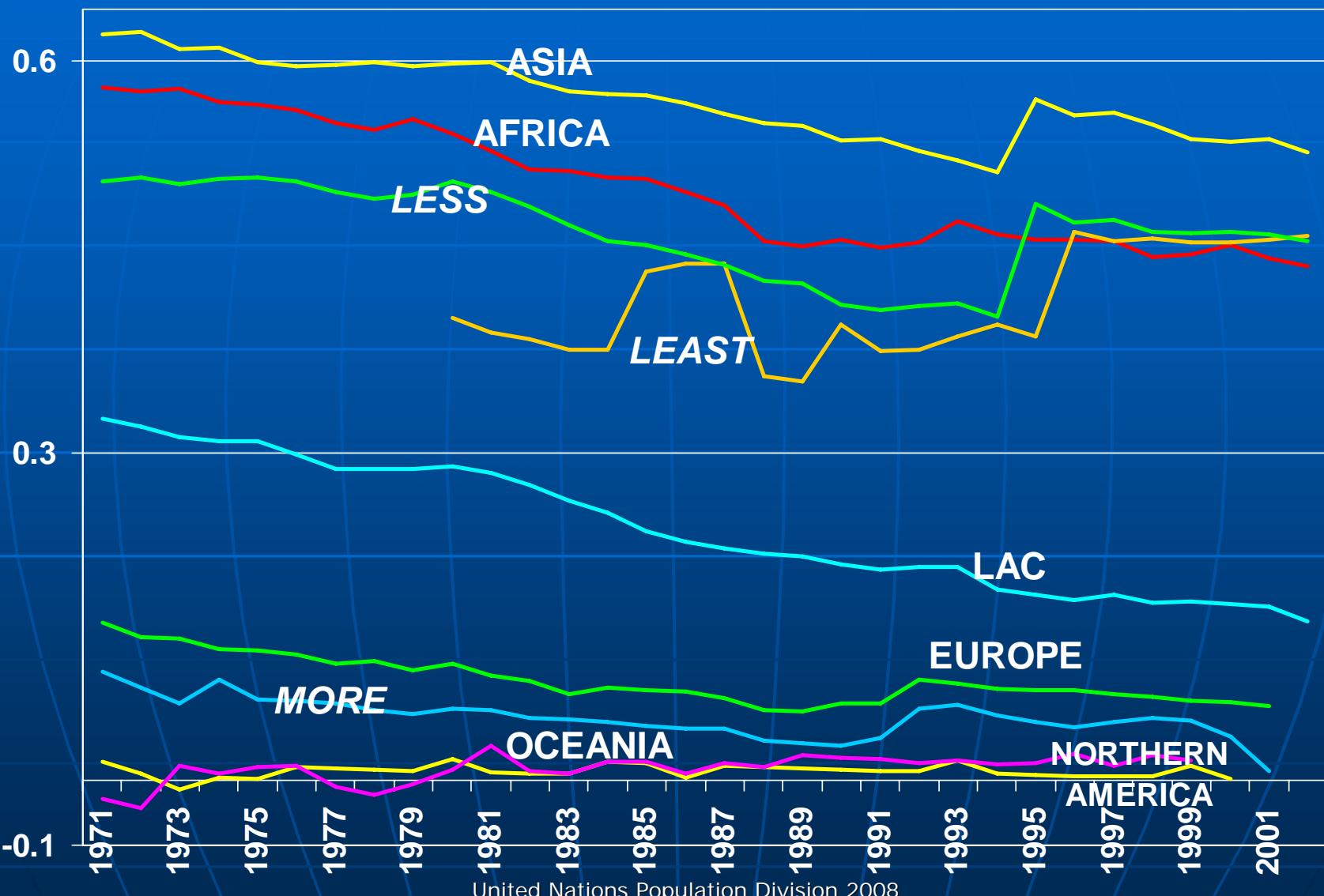
- Generally observed positive correlation between percentage urban and GDP per capita, although not very strong especially at low levels of development
- More systematic correlation over time of urbanization with the production in industry and services and the size of the labor force in those sectors

Labor force – Urbanization gap *



* Difference between % of LF in industry and services and % of population in urban areas

Production – Employment gap *



* Difference between % of GDP in industry and services and % of LF in these sectors

Poverty in urban and rural areas

A recent study by the World Bank (2007) shows that:

- During 1993-2002, the urban share of poor people has increased, due mostly to rapid urbanization and to significant declines in rural poverty rates
- But the poor population remains largely concentrated in rural areas (75%), and
- Poverty rates in urban areas remain substantially lower (less than $\frac{1}{2}$) than in rural areas

Conclusions

- Natural increase continues to make a sizeable (often principal) contribution to urban growth. Internal migration benefits individuals who move, their families and the aggregate economy, by redistributing labour force toward more productive occupations.
- Younger and middle-aged adults are generally more urbanized than children or the elderly, and urban fertility and mortality are lower than in rural areas. This implies lower dependency ratios in urban areas, which constitutes an opportunity for development.

Conclusions (cont.)

- The level of GDP is positively but rather weakly associated with urbanization. However, there is high synchronicity between urbanization, the production and employment in industry and services. In less developed countries, the large gap in productivity across sectors and rural and urban areas imposes limitations to continued growth.
- The world's poor are increasingly concentrated in urban areas, though still today a great majority (75%) live in rural areas. Since urban poverty rates are in all regions lower than in rural areas, continued urbanization is expected to make on the whole a positive contribution in improving living conditions of the population.

Thank you !

<http://www.un.org/esa/population/unpop.htm>