INTERMEDIARY CITIES AND ECONOMIC DEVELOPMENT

First International Forum on Urban-Rural Linkages

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• Urbanisation increasingly recognised as a key area of work for achieving development goals, but it is not usually perceived as a key factor for rural development.
• Urban and rural areas are intrinsically connected; they do so through flows of people, goods and services, as well as knowledge and information.
• Harvesting positive linkages between these two territories will allow for more inclusive and effective policies.
• In this process, intermediary cities play a fundamental role.
What is an intermediary city?

- Intermediary cities are agglomerations that - due to geographic, historical, and economic reasons - act as bridges between urban and rural areas.
- In parallel, they are strategic nodes within urban networks at national or international level.
- Their population, depending on the country or region, can range from 50,000 to 1 million inhabitants while usually accounting for the largest share of the urban population (UCLG, 2016).
- Intermediary cities can be further identified according to their functions, and economic status (Roberts and Hohmann, 2014; Hardoy and Satterthwaite, 1986).
They account for the highest share of urban population worldwide…

Source: UN-DESA, 2014
... and contribute the most to urban population growth.

Source: UN-DESA, 2014
Intermediary cities can play an important role enhancing rural welfare

- **Markets** for agricultural producers of the surrounding region.
- **Provision of goods and services**: Basic services (health and education), but also agricultural (extension), and financial (credit institutions).
- **Employment**: Consolidation of non-farm activities and employment opportunities...mostly in the informal sector.
- **Migration**: Destinations for rural migrants...but not only.
- **Financial flows**: Money transfers and family remittances flowing from urban to rural areas.
Three Gaps: 3Gs

Knowledge Gap

Policy Gap

Financial Gap
Conclusions

• **Agglomeration is not a silver bullet**: urban workers are more productive because of their type of jobs... but productive jobs have to be created.

• **IC fall in between the cracks of rural-urban divide**: tend to operate under the radar of national development plans and the support of development partners.

• **New approach**: overviewing the urban system, as a gradient of city types, which have strong interdependency between each other and with rural economies.
Conclusions (Cont.)

• Rural development can only take place when linked directly with small and medium sized urban centres in a place based territorial context.

• New lens to address decentralised development and the economic and social transformations which developing countries face into the future.

• Functional territories and bring together the reciprocal linkages of related R and U areas.
Many thanks!