

Food Systems at the Rural–Urban Interface

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Outline

- ▶ Why rural-urban territories matter
- ▶ Implications of the changing agriculture and food system on rural-urban territories
- ▶ Opportunities to strengthen the food system at the rural-urban territory level
 - ▶ Local
 - ▶ National
 - ▶ Global



The linkage between intermediate towns/cities and rural

- ▶ Half the world's urban population reside in intermediate towns/cities of up to .5 m inhabitants.
- ▶ These towns and cities are:
 - ▶ Where most urban growth will be found
 - ▶ Most neglected in urban policy
 - ▶ Where most urban poverty is found
- ▶ Addressing rural poverty remains critical
- ▶ Outside of large cities the majority of rural and urban based households live and work in both rural and urban places – they are neither 'rural' nor 'urban' – some 6 billion people



The linkage between intermediate towns/ cities and rural

- ▶ Rural–Urban Linkages: Reciprocal and repetitive flows of people, goods, services, money and environmental services between specific rural and urban locations that become interdependent and constitute new socio-spatial arrangements, places with a distinct socially-constructed identity
- ▶ What emerges is the possibility of **place-based development at the rural–urban interface** i.e. the development of “**functional territories**”



Understanding Rural-Urban functional territories offers potential for economic and social win-wins

- ▶ Economic development centered around towns and small cities – jobs, etc.
- ▶ Provision of social and economic services
- ▶ Rural and Urban HH (all income groups) food security - access food, availability and choice–nutritional impacts
- ▶ Environmental services incl. water
- ▶ Urban expansion incl. land
- ▶ And more

Evolving body of work seeks to understand why some territories achieve economic development, reduction in poverty and in inequality and others do not (Rimisp – LA region)

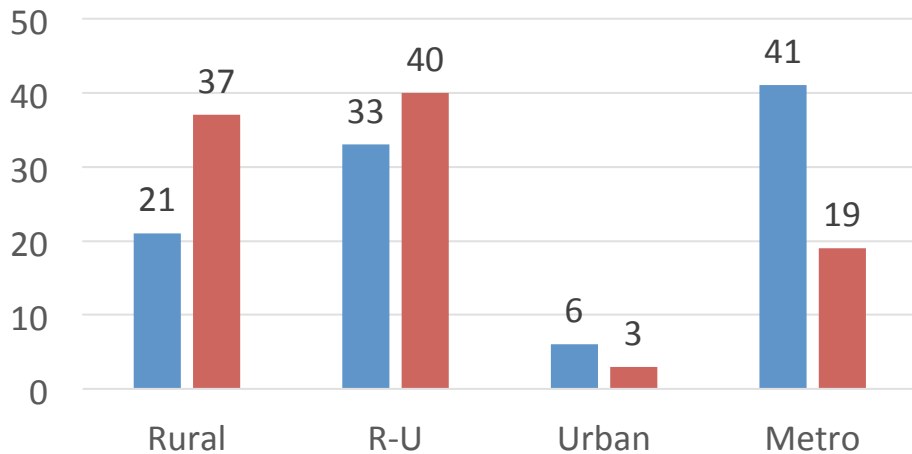
Mapping Rural-Urban Functional Territories

- Identified through combining data on night lights and commuting

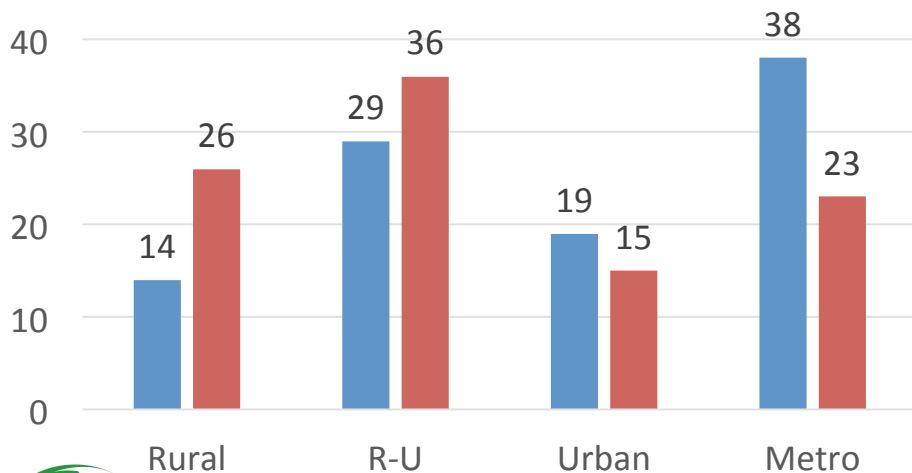
Categories	CHILE	MEXICO	COLOMBIA
Metropolitan	> 5M	> 1M	> 600K
Urban	300K – 5M	380K- 1M	400 – 600K
Rural-Urban III	100 – 300K	115 – 380K	120 – 400K
Rural-Urban II	50 – 100K	60 – 115K	60 – 120K
Rural-Urban I	18 – 50K	15 – 60K	15 – 60K
Rural	< 18K	< 15K	< 15K

Population and Poverty levels in Rural - Urban Territories

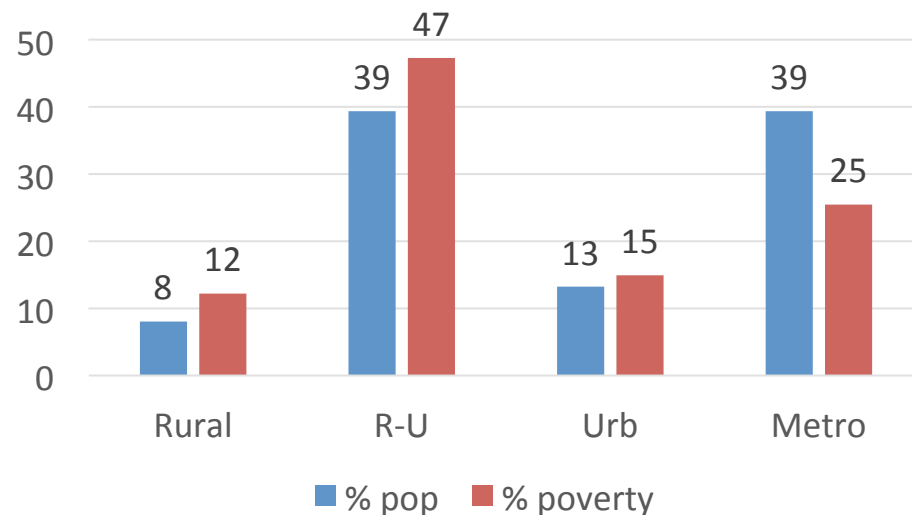
Colombia



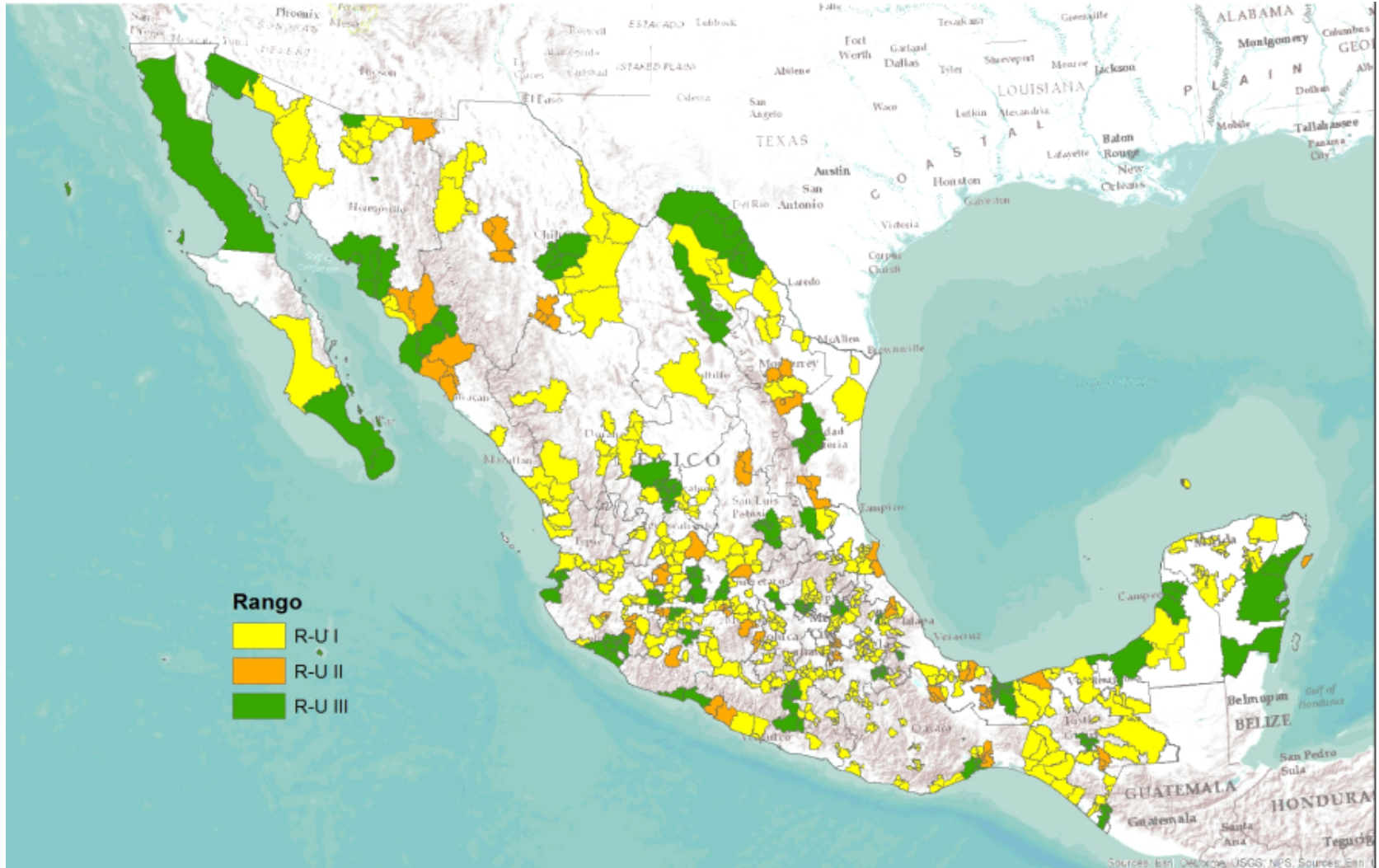
Mexico



Chile



Rural-Urban Functional Territories: Mexico





SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD

1 NO POVERTY

✓

2 ZERO HUNGER

✓

3 GOOD HEALTH AND WELL-BEING

4 QUALITY EDUCATION

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

✓

7 AFFORDABLE AND CLEAN ENERGY

8 DECENT WORK AND ECONOMIC GROWTH

✓

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

✓

10 REDUCED INEQUALITIES

✓

11 SUSTAINABLE CITIES AND COMMUNITIES

✓

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

✓

13 CLIMATE ACTION

✓

14 LIFE BELOW WATER

15 LIFE ON LAND

✓

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

SUSTAINABLE DEVELOPMENT GOALS



Understanding economic activity in Rural-Urban territories



The economy of Rural-Urban Territories

- ▶ Little to no data or analysis on labour markets in towns and small and medium cities or spatial disaggregation
 - ▶ WDR 2013 “Jobs” – four mentions of these urban locations
 - ▶ ILO – no data bases disaggregated by type of city
- ▶ Partial evidence suggests that labour markets in smaller cities - close to the interface with rural areas - are distinct from large centers
 - ▶ Greater specialization in activities related to primary sectors
 - ▶ Older technologies, lower skills
 - ▶ Smaller enterprises
 - ▶ More informal, household-based activities
- ▶ Most economies of these towns and cities are intimately dependent on their “rural hinterland” for endogenous economic development i.e. agriculture/ agribusiness/ fisheries/ forestry, mining and tourism

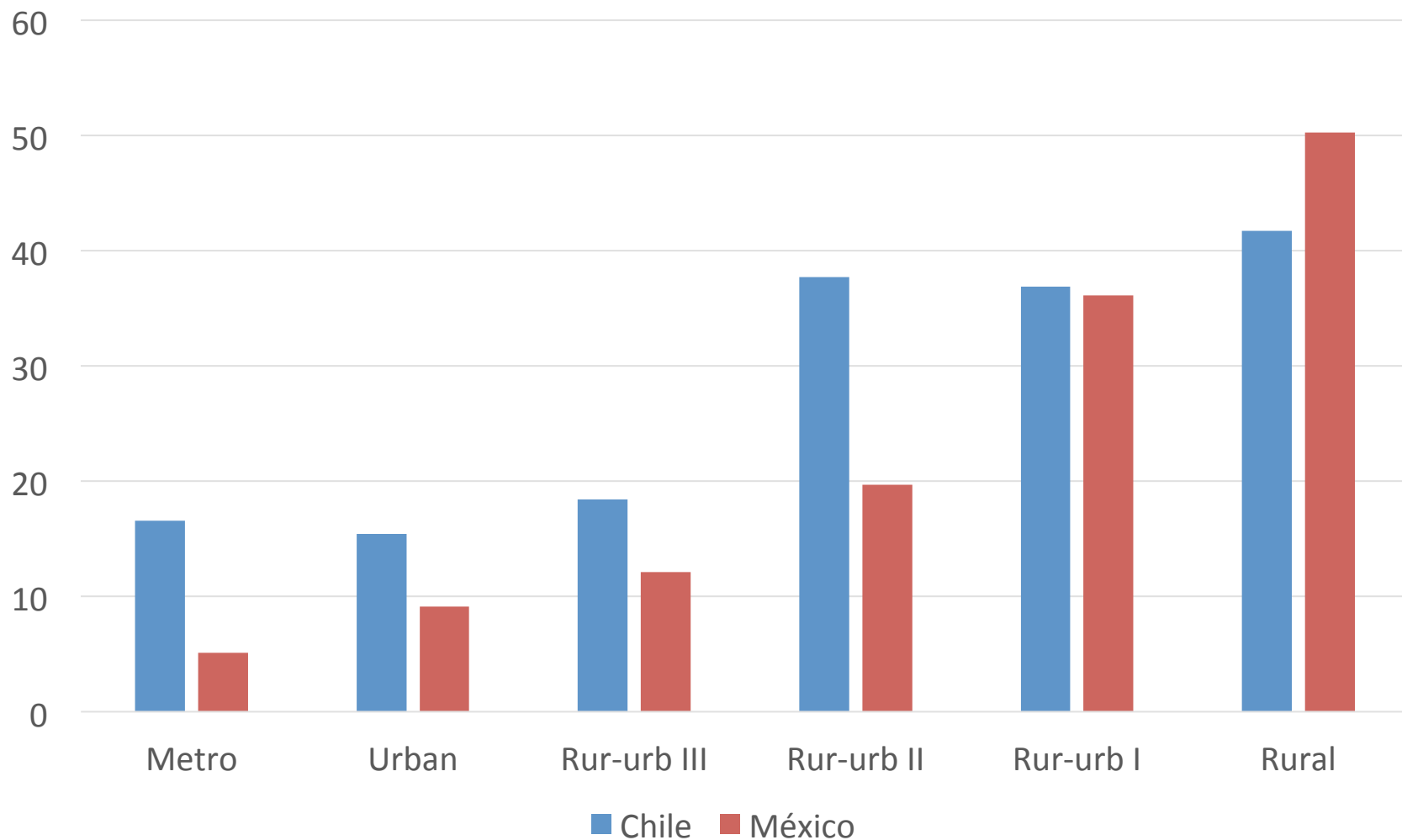
Economies of towns/cities of different scales

Vietnam: Employment structure by city class; % share by sector, 2009

	Special cities	Class 1	Class 2	Class 3	Class 4
Average population	6.81m	1.06m	295,000	135,000	89,000
No. of cities	2	5	12	41	34
Agriculture, forestry and fisheries	17.2	41.4	54.7	57.0	61.7
Industry and construction	35.5	23.6	21.4	19.3	15.5
Commerce and services <i>of which</i>	47.3	35.0	23.9	23.7	22.8
<i>Mining and quarrying</i>	0.2	.3	1.6	1.1	0.7
<i>Manufacturing</i>	27.4	15.5	13.9	12.6	10.0
<i>Construction</i>	7.1	7.0	5.4	5.2	4.3

World Bank, 2011

Employment in Agriculture and Food Manufacturing (%)



U-R territories and agricultural labour productivity and labour intensity - Colombia

Type of Functional Territory	Number	Pop. Millions	Low-Low	Low-High	High-High	High-Low	Total
Rural Territories <15,000	718	9.5m	17%	41%	23%	19%	100%
Urban-Rural Territories 15,000-400,000	135	15.7m	10%	21%	29%	41%	100%
Other Urban and metropol.	8	22.5m	N/A	N/A	N/A	N/A	
All	861	47.7m					

Rimisp Unpublished 2018



Changing Agriculture and Food Systems



Changing primary food production and agricultural transformation

- ▶ Changes in production. Consequences include:
 - ▶ Exclusion of the majority of small-scale farms from the more profitable and dynamic market sectors
 - ▶ Commercialization of some small-scale farmers
 - ▶ Increased use of agri-inputs, mechanization and credit, crop and farm enterprise diversification and intensification and scale
- ▶ Producers - closer to markets /those in agriculturally dynamic zones/along transport routes even if located far from towns and cities, are increasingly specialized and linked to agribusinesses
 - ▶ Investment in roads/road connectivity positively affect agricultural productivity and output
 - ▶ Growth in peri-urban and urban agriculture
- ▶ Increased competition /conflicts R-U in peri-urban for land and water



Changing food systems

Deep and rapid changes in all segments of the food system

- Consumer
- Retail and intermediate segments
- Second and third stage food processing
- Food production

Relevant to our debate

- Growth of modern retail (supermarkets of different scales) and fast food outlets/chains
- Changes /competition/new linkages between modern and traditional retail
- Change at the traditional wholesale market level
- Changes in the organization of procurement systems - preferred suppliers
- Vertical integration - packing, grading, processing and transport and logistic infrastructure including cold chain
- Growth of second and third stage processing agribusiness with penetration to modern and traditional retail
- More hurdles for the vast majority of smallholder producers and change in production patterns/technology



Yet we know little about how these interlinked changes in agriculture, in food systems and in consumer demand are playing out within **specific territories/ locations** in terms of local economic development, and for local and HH food access and availability



Spatial aspects of food sector (1)

- ▶ Food manufacture is less spatially concentrated than other most industrial sectors and able to generate backward and forward linkages with non-farm sector of services, manufacturing and construction in both the informal and formal sectors
 - ▶ Processing plants are often located in secondary towns
 - ▶ "*Dis-intermediation*" in modern market chains reduces the number of chain actors often by-passing traditional structures/locations (e.g. small towns – wholesale markets /accumulators)
 - ▶ First stage market chain actors are reshaped e.g. collection centres and rural business hubs, contract production for onward distribution, etc



Spatial aspects of food sector (2)

- ▶ Food manufacturing locates in relatively poor areas, but focuses in municipalities with more labor, raw materials and with better infrastructure (Chile and Mexico)
- ▶ Larger scale agricultural export sector (LA) shows clustering with many benefits but...
- ▶ Local agribusiness is usually dominated by smaller-scale firms, organized in a more informal manner
 - ▶ weaker linkages among actors, low productivity, skill shortages and difficult to achieve a critical mass of firms e.g. India
- ▶ Food manufacture is exposed to many of the same constraints as other industrial sectors (RSA bakeries)
- ▶ PP Innovation in agribusiness parks (India) and agrifood development in small towns (Indonesia) – now explored
- ▶ *Geographical repositioning*” – associated with policy change (tax incentives/marketing laws e.g. potato sector India)
- ▶ *“De-seasonalisation”* - sourcing from more distant locations and thus broadening the supply base



Informal and traditional food economy structures continue to play a central role

- ▶ Informal and traditional structures are central to many territorial food supply systems and a major source of informal and formal employment.
- ▶ Traditional retail remains central to consumer purchasing behavior
 - ▶ Street markets/local 'mom and pop' stores remain a popular retail choice - Indonesia, India
 - ▶ Huge country to country variation in supermarket use c.f. traditional markets – South Africa (90%) c.f. Mozambique (below 25%)
 - ▶ Food for the poor - purchase small quantities daily and/or street food as option given costs of water and energy for cooking
- ▶ Inadequate food retail market infrastructure and provision (water/sanitation/cover etc) prevails in small towns
- ▶ Low level harassment of the informal /SME food trade sector often punitive regulations imposed on the informal street traders and food vendors. Contrasts with the absence of regulatory controls on supermarket expansion in urban centres



And traditional wholesale continue to matter

- ▶ Wholesale markets located on towns and small and medium cities play a central role in traditional food systems
- ▶ In some cases adapted to integrate with modern food systems BUT
 - ▶ *“appalling state of wholesale marketing infrastructure including lack of auction platform; drying space; general amenities”* (India)
 - ▶ *“infrastructure deficit is especially acute at the wholesale level”* (4 country study SSA)
 - ▶ As cities grow – markets become located in the wrong place (Manila and Hanoi)



Food transfers and urban HH agriculture

- ▶ Significant number of households are spatially stretched across rural and urban spaces, with different household members at different times living and working in different areas
 - ▶ Impacts on food access and food security patterns in both rural and urban locations
 - ▶ Almost 35% poor urban households receive food from relatives or friends outside the city, and 11% of rural households were recipients of urban to rural food transfers (eleven Southern African cities)



Actions for better food systems within rural-urban territories: local, national and global



Local action

- ▶ Call for Territorial (R-U) local economic and food security development plans including:
 - ▶ Coherent planning between associated 'rural' and 'urban' municipalities (functional territories)
 - ▶ Food systems and food security given priority: jobs (formal and informal), food availability and access, public health, etc.
- ▶ Urban-based public goods that service the rural population and producers and entrepreneurs
- ▶ Rural-based public goods that service the economic activities in the urban areas starting with agriculture/food, environmental services, etc.



Local action

- ▶ Urban planning
 - ▶ Zoning for wholesale and retail markets location (modern and traditional), industrial parks including food sector
 - ▶ Roads, water, electrification
 - ▶ Land use incl. peri-urban.. housing agriculture etc.
- ▶ Services of the local government that have direct impact on food sector private investment and economic activities (including informal and household-based enterprises) e.g.
 - ▶ Local tax and regulation policies and incentives
 - ▶ Markets management - licenses and fees, market services infrastructure, water, electrification, waste, etc.
 - ▶ Transport
 - ▶ Public health
 - ▶ Skills development
- ▶ Remove barriers that limit diversification of food systems often in favor of modern retail whilst maintaining the basic principles of public health within the food system



Local action: Foster local innovation in food systems

- ▶ New models of producer – consumer linkages including “short chains”
 - ▶ growing debate on issues of consumer choice, food access and public health
 - ▶ local and cultural heritage, biodiversity, and to a lesser extent agro-ecology and social economy initiatives
- ▶ Short chains emphasise:
 - ▶ Low or no intermediation
 - ▶ Geographical proximity
 - ▶ Trust and strengthening of social capital
- ▶ Examples
 - ▶ Farmer markets – India, Farmer Fairs - Costa Rica, Gastronomy - Peru, Direct purchasing by government agencies (WFP - SSA; social programs LA), Food Assemblies - EU
 - ▶ City-region food systems (New York, Michigan and Detroit and also growing interest in a number of developing cities)



National level action

Breaking down sectoral silos and ensure urban food access and availability embedded in relevant sectoral and thematic policies:

- ▶ Make agriculture and food policies coherent, spatially robust and inclusive (urban and rural HH) and linked to health policies
- ▶ Institutionalize food systems across government structures
- ▶ Urban strategies that acknowledge food sector and associated infrastructure and policy needs
- ▶ Rural and agricultural strategies that focus economic development as well as food security at all levels/places
- ▶ Public food procurement including social sector/safety nets that supports urban/rural territories as appropriate
- ▶ Tax and other investment incentives to food industry which recognize urban/rural territories and impacts on employment



New data, analysis and evidence generation

- ▶ Change the lens
 - ▶ Understand rural-urban places and the people therein
- ▶ Applied research into the transformation of the food system in countries at different stages of change specifically
 - ▶ Explore the spatial differentiation, impacts and implications of such change for socially-inclusive growth/local economies and employment, and on
 - ▶ Food access, availability and human health of both R and U populations
- ▶ Urgency of place-based development at this rural-urban interface cannot be over-emphasized as the changes in the food systems are rapid – with impacts on employment, local economies, food security and nutrition



Global level

- ▶ **SDG 11:** Make cities and human settlements inclusive, safe, resilient and sustainable
 - ▶ 11a *Support positive economic, social and environmental links between urban, per-urban and rural areas by strengthening national and regional development planning*
- ▶ **UNHabitat New Urban Agenda...2016**
- ▶ **UNHabitat “Urban-Rural linkages to advance territorial development”** – Guidelines and Action Plan. Includes food security
 - ▶ High Level Political Forum (HLPF) in mid-July 2018
 - ▶ Committee on World Food Security Oct. 2018
- ▶ **OECD/FAO/UNCDF**
 - ▶ Adopting a territorial approach to food security and nutrition policy (2016)
- ▶ **FAO – Committee on Food Security**
 - ▶ Working papers on urbanization, rural transformation and food security
- ▶ **Bellagio Communique 2017:** Harnessing urban food security for sustainable development and human wellbeing

Thank you

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