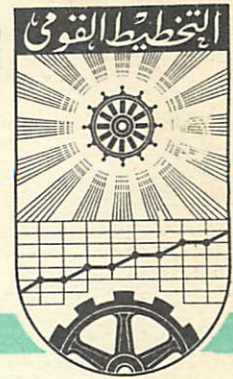


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Urbanization and Development :
Some Observations and Speculations.

By

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INTRODUCTION

The urbanization process, known to be intimately associated with economic development, deserves attention if we are to understand the recent and future mechanisms of change in developing areas. A discussion on the subject can be found in the literature. This literature, however, points to urban developments in the West as a model by means of which the interaction between urbanization and economic growth can best be studied.

Although there is much talk of industrialization and urbanization as two processes which are apparently closely and necessarily related, the whole array of forces making for urbanization in developing economies is often left unexamined, various types of urban centers are left undistinguished, and the moral and social-psychological as well as economic and political consequences of urbanization are left unexamined. Also, despite the interest of economists in the subject, the role of urbanization in the process of economic development has been generally neglected.

Hoselitz and a few others have examined this matter, but empirical studies are in short supply. Location theorists and land economists eventually throw more light on this problem but they rarely went on to link their discussion of spatial factors to more complex phenomena of economic growth. It is significant, perhaps, that, though there are established fields of research in urban sociology, urban geography, municipal government and finance, no branch of economics yet studied the city in a

comprehensive way. There are valuable items on the economic growth of particular towns, the whole area of medieval cities has provided a constant challenge to historians, but, no systematic study has ever been made of the role of cities in recent economic development.

However, there are many speculations and generalizations on the subject. Friedmann, for example, has explained the economic role of cities by stating that, "it is the cities that have accumulated the largest economic surplus for investment, and it is urban interests that make investments and thus give shape to the maturing space economy. It is completely natural that urban enterprises should seek out other cities and regions as the most logical localities for these investments."¹ Davis and Golden point out that the data on trends of city growth and urbanization in underdeveloped areas show them to possess highly dynamic attributes. Since the urbanization is not an isolated cultural trait but is a function of the total economy, its rapid growth indicates that fundamental changes are occurring at a rate sufficient to transform these pre-industrial societies within a few decades.²

Speaking about Latin American cities, Browning feels that there is a close and important association between economic growth and urbanization, but it is difficult to determine the exact nature of this relationship and its possible variability.

1. Friedmann, J., "Cities in Social Transformation," Comparative Studies in Society and History, Vol. 4, No. 1, November 1961, p. 101.

2. Davis, K. and G.H. Hertz, "Urbanization and The Development of Pre-industrial Areas" Economic Development and Cultural Change, Vol. 3, No. 1, (October, 1954), P. 14.

He also feels that many of the Latin American countries are "overurbanized" in the sense that city growth is running ahead of economic development.¹

The most striking conclusion of the United Nations' research on this question is that rapid urbanization in many countries is outstripping industrialization. This is contrary to the commonly held conception that industrialization comes first and draws people from the rural areas. Obviously, industry does draw people from the rural areas, but many other reasons for going to the city or for leaving the rural areas seem to be at least as powerful. An historical review shows that the role of the cities themselves in economic development has been a varied one.²

However, our belief is that sociologists as well as demographers can make a vital contribution to the study of urbanization in the context of economic development. This short paper will attempt to suggest the various problem areas that arise in probing somewhat more deeply into the process of urbanization in its relation to economic development. To speak more specific, however, our investigation will deal with three related problems:

- 1: The problem of economic growth and cultural change within a city with particular emphases on "the cultural role of cities."

¹ Browning, H.L., "Recent Trends in Latin American Urbanization," Annals of the American Academy of Political and Social Sciences, Vol. 316, March 1958, p. 117.

² Henderson, Julia J., "Urbanization and the World Community," Annals of American Academy of Political and Social Sciences, Vol. 314, November, 1957, p. 149.

- II. The relation between a city's economic growth and cultural change and associated development in the region in which the city is dominant.
- III. The functions of urban population.

I. THE CULTURAL ROLE OF THE CITY AND ITS ASSOCIATION TO ECONOMIC DEVELOPMENT

Introduction

It has been said that cities developed in order to increase economic efficiency: to realize the optimal conditions of economy. But cities also provided a range of other social, civic, administrative, and psychological 'services'--each of which posed a different set of optimal conditions. Thus, as Lampard points out, at various times and places cities were centers for religion and secular administration, communication, defense, recreation, and other community purposes in addition to economy. Each city, in fact, serves a variety of social purposes and meets an array of human needs. Yet no two are exactly alike in every respect of their functions; each is a more or less unique product of its individual history and circumstances. Each city population attempts to reconcile its needs and purposes with the specific limitations of its culture and environment; limitation of size, resources, position, site, and technique.¹

The economic historian may sometimes be in a position to emphasize potentially relevant factors in socio-economic growth of the city which are not readily treated within the more rigorous confines of economic analysis. However, in the studies of

1. Lampard, E. E.; "The History of Cities in The Economically Advanced Areas" Economic Development and Cultural Change, Vol. 3, No. 2 (Jan. 1955), P. 84.

economic historians and in the studies of the currently significant factors for economic development, the functions of the city are considered as it affects change; but the change chiefly in view is economic change. While the economists have been dealing with the general considerations regarding means and sources of economic growth, urban sociologists tend to furnish an essential framework for the study of urbanization as it is associated with economic growth. The theory of economic progress as such throws little light on that subject. It mostly ignores, as Lampard points out, socio-institutional, factors and is generally oblivious to consideration of 'space' or 'area'. "Nevertheless, it does call attention to the dynamic influence of techno-organization itself, but, it does not give much attention to the features of urban socio-economic structure and functions which may affect such economic growth.¹

Our main purpose in this section is to present a critical summing up of some discussions on the relations between urbanization and economic growth and cultural change in order to obtain more precise knowledge about the interrelations of the processes of urban growth and development and those of economic progress and cultural change. To achieve our purpose in this section, it might be necessary to mention here a general assumption which we may get from reviewing the literature on our subject; that is, the growth of an urban culture can be viewed as a vehicle for changing values and beliefs of the society so that as to make it more inclined to accept economic change. However, many questions

¹Lampard, E. E., op. cit., p. 87.

follow from this initial reflection:¹

- (a) What has been the relation of urban development to economic growth in the past?
- (b) Was the rise of the city merely passive index or itself an active ingredient of industrial development?
- (c) Have cities in some way generated a dynamic force making for socio-economic change?

The answers to these questions seem to be relevant to our present discussion of the role of cities in economic development. To review the literature on this point, we may find that location theorists and land economists eventually throw more light on this problem, but they rarely went on to link their discussion of spatial factors to the more complex phenomena of economic growth. "It is significant, perhaps, that though there are established fields of research in urban sociology, urban geography, municipal government and finance, no branch of economics yet studies the city in a comprehensive way."² They are valuable items on the economic growth of particular towns, the whole area of medieval cities has provided a constant challenge to historians, but, as Lampard points out, no systematic study has ever been made of the role of cities in recent economic development.³ In consequence, it must be emphasized that what can be said about the role of cities and urbanization in economic development is based largely on conclusions of a speculative character which appear to be plausible in the light of what is

¹Lampard, op. cit., p. 82.

²Ibid., p. 83.

³Ibid., p. 84.

known. Moreover, the facts which are available and such interpretations of them are drawn, it must be emphasized, largely from the experience of the West.¹

The Problem of Economic Growth and Cultural Change Within A City

An analysis of the relationship between urbanization and economic growth may start either with an historical description of the development of cities or with a distinction of the functional characteristics of cities and the relative frequency with which cities of a certain type appear in countries at different levels of economic performance. In distinguishing cities functionally, and even in describing the history of cities, their economic role is usually stressed. Yet it appears that in early times and in economically little advanced societies, the city plays predominantly a non-economic role. Its function is that of a religious or cult center, or a political administrative center, or a central place of protection.²

Although there is a high correlation between industrialization and urbanization, the development of towns and cities is not dependent upon the previous establishment of industries, nor must all industrial establishments be located in cities in order to flourish. "As it is mentioned above, cities have been the seats of learning and education, they have been the centers of

¹Hauser, P.M. (ed.), Urbanization in Asia and the Far East, Unesco, Calcutta, 1957, p. 66.

²Hoselitz, B.F., Sociological Aspects of Economic Growth, pp. 218-219.

governmental aid and administrative organizations, and they have performed the function of religious or cultural rallying points.¹

Modern writers on urban sociology have reiterated these aspects of cities in a more sophisticated and scientific manner, but they have added relatively little to the identification of the essential distinctive features of urban aggregations. This literature, however, points to urban developments in the West as a model by means of which the interaction between urbanization and economic growth can best be studied.

One way of exploring differences in urban function and the effects of different types of towns and cities upon the economic and cultural development of the surrounding regions may be through an historical study of the development of the cities in Western Europe and their interaction with the economic development. Lampard in his treatment of urban-industrial growth, considers urban industrial history in three phases:

- (1) The pre-industrial phase is seen as coming to a close in much of Europe and America towards the end of the 18th century.
- (2) The industrial phase encompasses largely the 19th century.
- (3) The metropolitan phase begins roughly with the 20th century.

Lampard places the economically advanced areas in the metropolitan phase and the remainder of the world in either the industrial or pre-industrial phases. He recognizes, of course, great diversity within each phase.

¹Ibid., p. 163.

Lampard, however, tries to differentiate urban and non-urban influences to some conceptual framework of economic progress.¹ His approach to cities and economic focuses on two related problems:²

- (1) The first problem deals with urban-industrial growth as a cultural process.
- (2) The second problem involves looking at urban-industrial growth as an economic contingency, i.e., meeting fundamental conditions of economy or as realizing certain economic optima.

Because Lampard presents the best short summary of the relation of industrialization to urbanization which the writer has seen, his materials as well as the materials presented by Hoselitz, Redfield, Singer, David and Golden, and Kolb are mainly employed in this section to present what the writer regards as the most relevant body of historical and economic generalization based on Western experience.

There is agreement among many of the writers whom I mentioned above that the growth and development of cities is a necessary condition of economic development. Lampard, in particular, points to the need for greater specialization of tasks which has been associated invariably with urban centers. In an urban-industrial society, as he points out, there is likely to be both wider opportunity and greater necessity for specialization than in earlier more relaxed modes of existence. As he continues,

In the city, for example, to specialize is to enjoy scarcity value, whereas in the country it is usually

¹Lampard, op. cit., p. 84.

²Ibid., p. 85.

acquiescence rather than initiative which pays. An increasing rivalry for place and preferment under urban conditions puts higher premiums on more specialized roles, functions, and instruments.¹ . . . We might generalize and say that, in the socio-psychological atmosphere of metropolitan existence, there is, an inherent inducement, a 'built in' tendency to specialize.²

Lompard has implied that the division of labor is culturally determined but, from Adam Smith to the present day, most economic writers have explained it as having a purely mechanical relation to "the extent to the market." They have held that the degree of specialization at any time is a function of the size of the market, it depends on the volumes of goods which the market can absorb, since the possibility of exchange is a necessary preliminary to any specialization. But, as Lampard believes, this logic led economists to ignore or to underestimate the "inner dynamisms" of specialization as a cultural process.³

The growth of the modern city and the industrial revolution are joint products of a single cultural trait--specialization. He concludes that from a socio-ecological standpoint, city growth is simply the concentration of differentiated and functionally integrated specialisms in rational locals. The modern city is a mode of social organization which furthers efficiency in economic activity.⁴

Kolb in his analysis of the "social structure and functions of cities,"⁵ stresses the need for a universalist-achievement-

¹Lampard, op. cit., p. 89.

²Ibid., p. 90.

³Ibid., p. 88.

⁴Ibid., pp. 91, 92.

⁵Kolb, W. L., "The Social Structure and Functions of Cities," Economic Development and Cultural Change, Vol. 3, No. 1, October, 1954, pp. 32, 33.

oriented value structure which is indispensable for a successful rationalization of production, and hence for industrialization, and finds also that the urban environment was a necessary condition for the evolution of such values. Speaking about Chicago, Kolb states:¹

Even in the Chicago of the first three decades of the twentieth century where the extreme stress on universalistic-achievement orientations did produce trade, commerce, industry, a rationalized division of labor and social heterogeneity, the dominant group of that city shared those value orientations and developed and supported an institutional system which shaped a dense population to produce such economic phenomena.

Such value-orientations which were predominant in the Western cities do not exist in the cities of underdeveloped areas. It seems very doubtful, he believes, that such cities can afford the degree of conflict-producing diversity which characterized Chicago. "This again means less stress on the purely laissez-faire, individualistic aspects of universalistic-achievement-orientations and the acceptance of the welfare, rising level of living for all politics of modern industrial societies."²

He also views the urban structure of the Western cities as having a secondary quality of social relations. The city itself, by virtue of its size, is a secondary group. Closely related to the stress on secondary relations in urban society is the corresponding stress on secondary means of social control.³ The urban community in order to control individual behavior is

¹ Ibid., p. 43.

² Ibid., p. 43.

³ Ibid., p. 44.