

## **Socio-economics consequences of urbanization**

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The contemporary urban world is a product of the growth in the size, number and spread of settlements, so that there are now few regions that lack urban populations and places. The second is the increase in the proportion of the population that lives in urban places. The third is the transformation of society because so many people and such a large proportion of the world's population live in cities and follow lifestyles which are urban in origin and character. These three developments are powerful and deep-seated. Together they have created an urban world that would be unrecognizable 100 years ago.

The urban world is, however, far from uniform. Urban development is changing the spatial organization of economy and society, but at different outcomes. There are wide variations in the number and proportion of the population that live in urban settlements, the size and role of cities, and in the extent to which people live urban ways of life.

Urban growth and urbanization are seen as products of the pronounced globalisation of economic and social activity that has occurred in recent years. Globalisation is made possible by developments in transport, telecommunications and geopolitical convergence.

The recent millennium was a major step in the evolution of human settlement, for it marked the period when the location of the world's people became more urban than rural.

The 50 per cent between urban and rural was achieved at some point between 1996 and 2001 but it is not possible to be exact because of variations among countries in the quality of their census data and in the ways in which urban areas are defined.

The world is an urban place. Urban development on this scale is a remarkable geographical phenomenon. A population which is urban is one in which vast numbers of people are clustered together in very small areas. Whether through choice or compulsion, they live in close horizontal and vertical proximity and at very high densities. They seemingly prefer, or are forced to accept, concentration rather than dispersal. The benefits of access to services and other people, which are a consequence of closeness and agglomeration, apparently outweigh the disadvantages of crowding, congestion, noise and pollution. If the size of population is any guide, then living in an urban environment.

Cities are economic and social systems. They are a product of deep – seated and persistent processes which enable and encourage people to amass in large numbers in small areas.

So powerful is the force of urban formation that it presently concentrates over three billion of the world's population in cities.

A wide range of socio – economic consequences is associated with the global shift in the distribution of population to urban from rural places.

Coping with the consequences of urbanization is one of the biggest challenges facing the world today, generating wide – ranging debates about what can and should be done and by whom. One argument is that the developed nations have a humanitarian and a moral responsibility to intervene on a major scale contributing assistance and aid to provide housing and basic infrastructure. They are powerful enough to help in a substantial way and it is unacceptable for the people of the developed world to enjoy of affluence while human beings elsewhere live in poverty and deprivation.

At the United Nations Conferences, held in Istanbul (HABITAT 2) in 1996, and in Johannesburg in 2002, it sought to build a global consensus on the ways forward for the urbanizing world.

A significant achievement of these meetings was to agree on targets towards which governments could aspire and on a methodology for measuring progress. A Key indicator, devised for HABITAT 2, is the City Development Index, which measures average well – being and access to urban facilities by urban residents (Table 1). Pronounced differences exist in the level of development of cities: Stockholm and Melbourne score highly in contrast to Port Moresby and Lagos. The index value it represents the mean of live values constituents. It indicates the great differences that exists concerning the living standard between people in developed and developing world cities. The five sub – indices are:

- “City product”, is analogous to gross domestic product per head;
- “Infrastructure”, is a measure of the number of water, electricity and telephone connections;
- “Waste”, is an index of the volum of water treated;
- “Education”, is defined of levels and school enrolments;
- “Health”, it refers to life expectancy and child mortality.

#### Development indicators for selected cities

**Table 1**

City	CDI	City product	Infrastructure	Waste	Education	Health
Stockholm	98	94	100	100	94	100
Melbourne	96	90	100	100	94	94
Singapore	95	92	100	100	93	89
Hong Kong	92	89	99	99	91	81
Moscow	90	81	99	87	84	99
Seoul	86	65	98	100	89	78
Rio de Janeiro	80	82	87	63	82	84
Sofia	80	71	94	59	86	86
Hanoi	74	60	72	90	86	86
Havana	71	68	75	50	81	85
Jakarta	69	66	57	47	80	96
Maanbaatar	68	53	58	90	71	67
Lahore	61	71	79	50	65	41
Colombo	58	57	69	45	86	45
Bangalore	58	51	82	31	75	49
Dhaka	48	56	55	28	65	49
Phnom Penh	44	40	33	27	47	70
Port Moresby	39	69	18	10	58	42
Lagos	29	42	30	2	44	29

The existence of an unorganized, unregulated and unregistered informal sector in many urban economies is a widespread consequences of contemporary urbanization. It is principally a feature of cities in the developing world. This is a distinctive and alternative pattern of economic activity which had developed paralleling with the formal economy providing both benefits and disadvantages for its many participants (Table 2). The informal sector encompasses a large number and a diverse variety of service and production activities that operate on an individual or family – owned basis and use labour – intensive and simple technology.

#### Key characteristics of formal and informal employment

**Table 2**

Formal	Informal
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<b>Formal</b>	<b>Informal</b>
• Difficult entry	• Ease of entry
• Modern	• Traditional
• Corporate ownership	• Individual ownership
• Capital – intensive	• Labour – intensive
• Profit – oriented	• Subintence – oriented
• Imported technology	• Indigenous technology
• Large – scale	• Small – scale
• Protected markets	• Unregulated markets
• Skills acquired within formal schooling	• Skills acquired outside formal schooling
• Most workers protected by legislation/social security	• Few workers protected by legislation/social security

It includes activities such as the selling of food and drink, street entertainment, work undertaken by mechanics, carpenters, small artisans.

Statistics assembled by United Nations (2002) in 21 developing countries shows that 1/3 to 1/2 of all output is generated by the informal sector. It is as high as 51 per cent in Gambia, 46 per cent in Indonesia, 40 per cent in Mali and 39 per cent in Zambia. The size and relative importance of the sector are expected to increase significantly as many more people are added to cities in the developing world that can find work in informal employment.

There are many positive aspects associated with the informal sector. The and most obvious is that it provides jobs and income for large numbers of people who otherwise would have no means of economic support. Many informal sector workers are escapes from rural poverty and the sector gives them first access to an urban economy in which there are opportunities and potentials. Work in the informal sector may be undertaken by woman and children to the benefit of the family. Many woman find it especially difficult to get jobs in a formal sector that is generally dominated by men and so that they combine informal work with child-rearing. In some countries they comprise the majority of informal sector workers.

The informal sector is valued for its vitality and dynamism. It provides an opportunity to initiate and to develop business ideas.

Flexibility is widely seen as an attribute of informal sector employment. The street, with its opportunities for social contacts, spatial mobility and flexible working may be, for many people, a better workplace than the factories or firms in the formal sector.

Against these advantages and benefits must be set the low standard of living, long hours of work, the implications for health, safety and hygiene.

The informal sector in South American cities is seen as a pyramid. At the top are successful informal sector enterprises that employ wage labour and tend to be relatively stable sources of income and employment. At the base are a large number of subsistence operations that could never conceivably be successful and long – term.

The informal sector is endorsed by many economics who regard it as a source of economic potential rather than as a poverty trap.

This is the economic lifetime for perhaps one – and – a half billion people in the developing world. It is far too large and well established in most cities to be dismantled. The opportunities which it affords for survival in the city are major reasons for in – migration. Its existence is both a consequence and a cause of the rapid urbanization across large parts of the periphery.

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