

Rural Transformation in Malawi

The Role of Urbanization

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Rural transformation

Engaging rural nonfarm economy

Farmers & others start nonfarm businesses, generating demand & creating incomes/jobs across the rural economy

(3)

Food systems

Rising farm productivity

Higher farm productivity increases food production (and consumption) for subsistence farmers

(1

Linking to local markets

Farmers supply surplus to markets, thereby raising their incomes & creating local jobs

(2)

Harnessing urban markets

Urban consumers come to drive demand, leading to more value addition of agric. products (and more opportunities to diversify)

Focus on urbanization

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Overview of this talk

- 1. Urbanization in Africa
- 2. Urbanization in Malawi
- 3. Link between urbanization and rural transformation
- 4. Conclusion

A. URBANISATION IN AFRICA

Table 1.1
The definitions of urban in Africa

Algeria	The urban/rural delimitation is performed after the census operation based on the classification of built-up areas. Groupings of 100 or more constructions, less than 200 metres from one another are considered urban.
Botswana	Agglomerations of 5 000 or more inhabitants where 75% of the economic activity is non-agricultural.
Burkina Faso	All provincial administrative centres (45) plus 4 medium-sized towns are considered urban areas.
Burundi	Commune of Bujumbura.
Comoros	Every locality or administrative centre of an island, region or prefecture that has the following facilities: asphalted roads, electricity, a medical centre, telephone services, etc.
Egypt	Governorates of Cairo, Alexandria, Port Said, Ismailia, Suez, frontier governorates and capitals of other governorates, as well as district capitals (<i>markaz</i>). The definition of urban areas for the 2006 Census is "shiakha", a part of a district.
Equatorial Guinea	District centres and localities with 300 dwellings and/or 1 500 inhabitants or more.
Eswatini	A geographical area constituting a city or town, characterised by higher population density and human construction in comparison to the areas surrounding it.
Ethiopia	Localities of 2 000 or more inhabitants.
Guinea	Administrative centres of prefectures and the capital city (Conakry).
Kenya	Areas having a population of 2 000 or more inhabitants that have transport systems, build-up areas, industrial/manufacturing structures and other developed structures.
Lesotho	All administrative headquarters and settlements of rapid growth.
Liberia	Localities of 2 000 or more inhabitants.
Malawi	All townships and town planning areas and all district centres.
Mauritius	The five municipal council areas which are subdivided into twenty municipal wards defined according to official boundaries.
Namibia	Declared urban areas for which cadastral data is available and other unplanned areas.
Niger	Capital city, capitals of the departments and districts.

Solution proposed by the Africapolis project:

use satellite data to search for continuously built up areas with more than 10,000 people

This gives a completely harmonized and comparable definition for all countries

(suggestion is not to adopt this definition locally)

2015 data

7,617 urban agglomerations

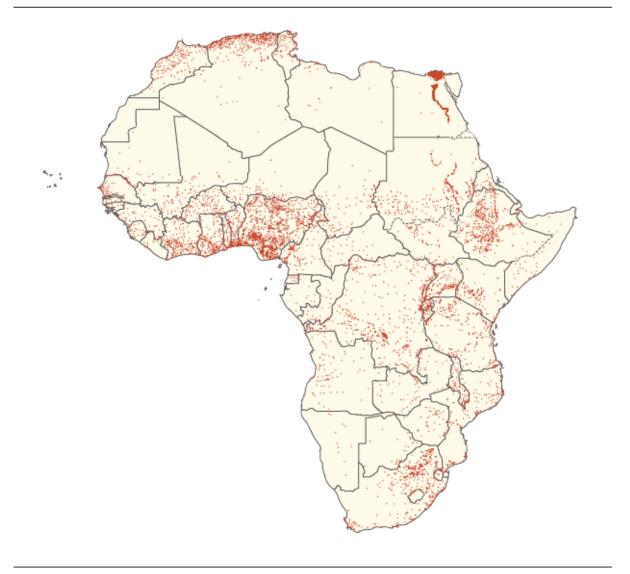
Hosting 567m people

50.4% of the population

91% of these agglomerations are small (10k-100k)

Most have appeared in the last 15-20 years

Map 2.4
Distribution of agglomerations in Africa, 2015

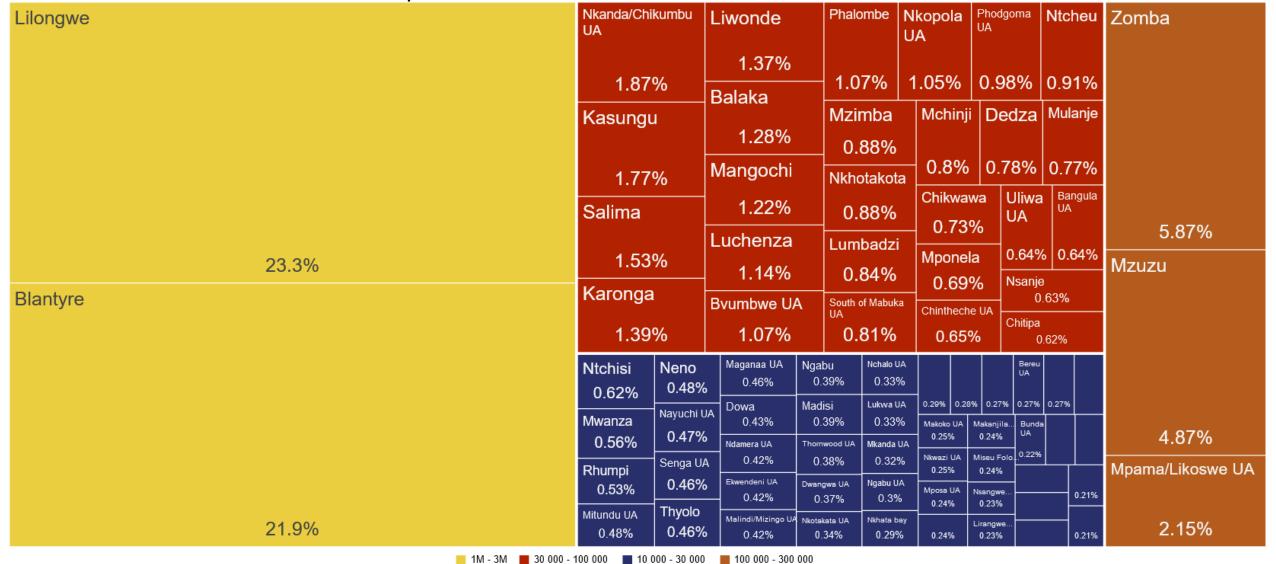


Source: OECD/SWAC 2018, Africapolis (database)

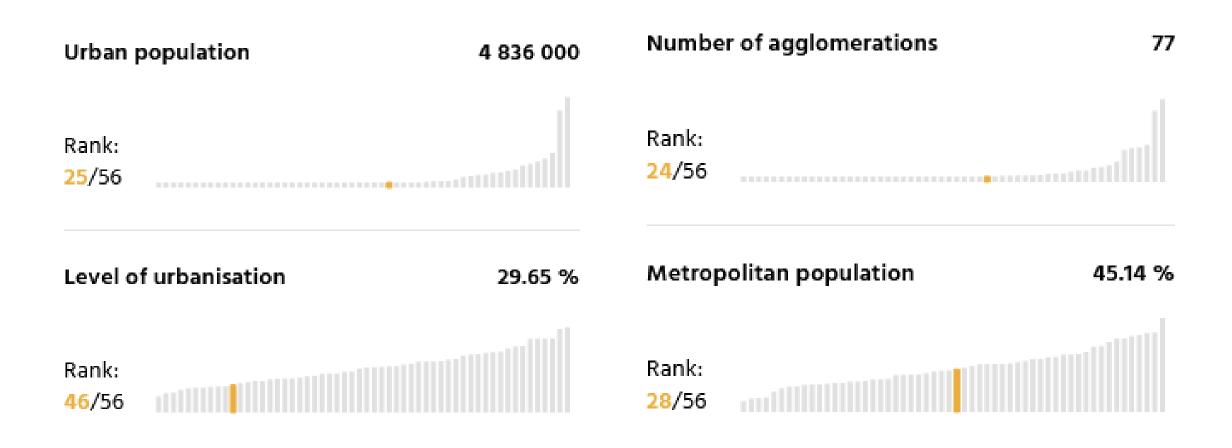
B. Urbanization in Malawi

Malawi: 77 urban agglomerations with Africapolis definition

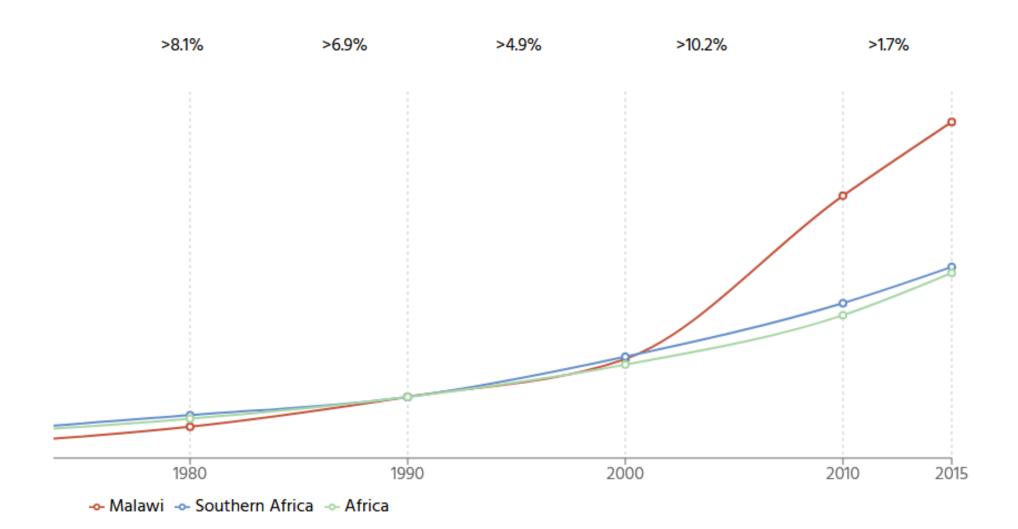
45 do not overlap with an official urban area



Urbanization in Malawi, as measured by Africapolis (2015)



Urbanization in Malawi, as measured by Africapolis



Tempting to think that this due to growing cities.

agglomerations grew

- 3 in 1960
- 19 in 2000
- 77 in 2015

A lot of urbanization action in new emerging small towns

Important spatial implications for surrounding rural areas.



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C. Urbanization and rural transformation

Some of the urbanization *is* rural transformation:

in-situ urbanization, with previously rural areas taking on more urban characteristics.

And urbanization also drives rural transformation in surrounding areas:

Let's look at some channels



1. Urban demand for food

- The urban population is growing...
- ...and needs to be fed
- This presents a market opportunity of 4.8m urban consumers

BUT:

Know your customer: urban tastes are changing.



Source: Africapolis

Urban domestic demand is changing

- Increased demand for more convenient, easily prepared and processed foods + more snacks, meals and drinks consumed outside the home.
- Rural areas risk missing the boat on catering to this.
- Already Malawi imports food worth US\$242m (2018); 60% processed food and beverages, presumably for direct consumption (Munthali et al., 2021).
- Rural areas need to make sure they start catering to changing and growing urban demand....
- ... if they don't international players will.
- ... if they do this can be a catalyst for rural transformation

2. Employment

Farm work is highly seasonal

In high season around
December people work twice
as many hours as in low
season around July.

Two important implications:

- Farming is, per hour worked, more productive
- Opportunity to supply more hours of work during the low season

Q: can nearby urban areas provide employment opportunities to fill the gaps in the agricultural labour schedule?

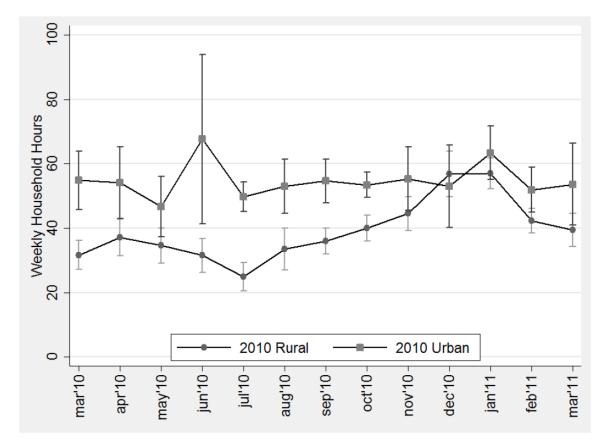
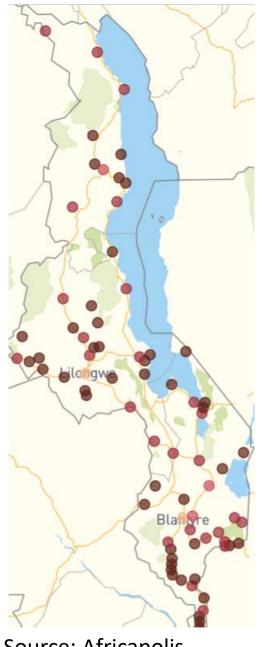


Figure 1. Total household labor hours supplied last week Source: IHS as analysed by de Janvry et al. (2019)



Source: Africapolis

Improved urban access leads to more hours worked



Source: author's calculations (preliminary results)

Look period 2010-2019

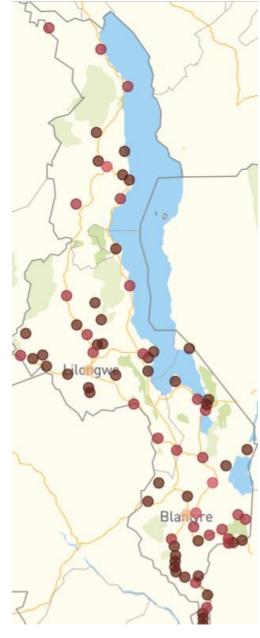
Ask what happens to hours worked in rural areas when their urban access increases

FIND: a 10% increase in urban access increases hours worked per year by 120 = 15 extra days of work per year.

(both in agricultural and outside of agriculture).

3. Migration

- Successful migrants to cities do very well
 - But very few people manage to make this move successfully
- Migrants to nearby small towns make more modest progress
 - But many more aspiring migrants manage to make this move.
- The reason is spatial: small towns are typically close by and that proximity is attractive to migrants: easy and cheap to go there and to return home; local networks; cultural similarities.
- Small towns **open the horizon** of rural-urban migrants who go there.
- It **builds** their human capital, their physical capital, their networks...
- Opens new paths to prosperity that would have otherwise been closed

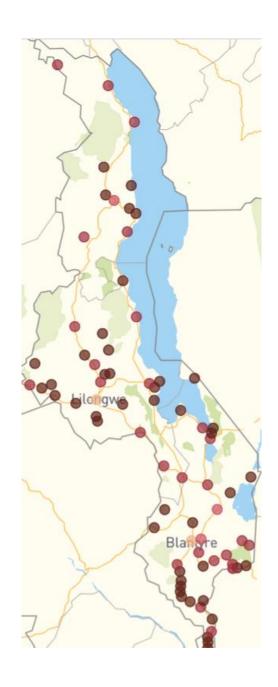


Source: Africapolis

4. Other rural-urban links

- Services: banking, insurance, health, education,....
- Markets: aggregation of rural produce for sale
- Buy agricultural inputs
- Get information
- •

DISTANCE IS NOT DEAD



Conclusion – back to conceptual framework

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Thank you