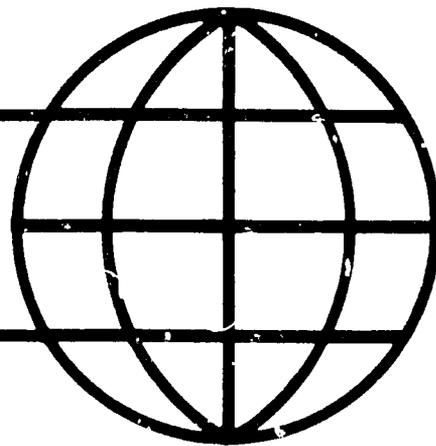


**COOPERATIVE AGREEMENT ON HUMAN SETTLEMENTS  
AND NATURAL RESOURCE SYSTEMS ANALYSIS**

THE URBAN ROAD TO RURAL DEVELOPMENT:  
REFLECTIONS ON USAID'S "URBAN FUNCTIONS" APPROACH

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1983

\* Guest Editorial reprinted for Environment and Planning A, 1983, vol. 15,  
pages 429-432.

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## Editorial

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**Guest editorial. The urban road to rural development: reflections on USAID's 'urban functions' approach**

'Integrated' was undoubtedly one of the trendy words of the 1970s in development studies, widely used in policymaking and planning circles, and particularly favoured among specialists in rural development. Though trendy, it proved to be vacuous, implying little more than the location of several different types of investment in the same geographical area. It often meant no more than a compromise between different leading figures, project designers, or institutions, whereby all were allowed to implement some of their ideas within a programme, even if some ideas were incompatible with others. In such cases the description 'integrated' was nothing more than a facade to cover the essential incoherence of the overall programme. In other cases it could be used to hide the dominance of a single sector and type of project, the most notable example being so-called 'integrated river basin development programmes', which concentrated overwhelmingly on the implementation of a handful of large-scale and capital-intensive hydroelectric and irrigation projects. Even when there were a variety of types of project and of institutions involved in the integrated rural development effort, the schemes were often beset by operational problems. The administrative mechanisms to ensure 'harmony', 'coordination', 'complementarity', and 'circular and cumulative causation' among diverse investments often failed to function, and in such cases 'integration' led to little more than increased paperwork and endless committee wrangles.

Despite all the problems with integration, however, the quest for effective integrated rural development continues, and one of the most fashionable forms is currently the 'urban functions' approach, most clearly and forcibly set forth by Rondinelli and Ruddle (1978) in their book *Urbanization and Rural Development: A Spatial Policy for Equitable Growth*. This approach, sometimes known as 'urban functions in rural development' (UFRD), builds on a long series of classic works on rural central-place systems, periodic and daily markets, and public-service location (for example see Christaller, 1966; Massam, 1975; Smith, 1978). The most notable policy oriented works on these subjects, written on Third World countries, are probably those by Mosher (1969), Berry (1967), and Johnson (1970), and Rondinelli and Ruddle's (1978) synthesis, commissioned by the United States Agency for International Development (USAID), is essentially a reworking and reformulation of these earlier efforts. Precisely because it was written for one of the world's largest and most influential aid agencies, and because it coined a generic name for a set of policies ('UFRD'), the 'urban functions' approach has recently diffused much more widely than its intellectual precursors, which were all too heavily concentrated on a few countries, most notably India and Kenya (for example see Johnson, 1967; 1970; Obudho and Waller, 1976).

The diffusion of UFRD must be attributed mainly to the tremendous simplicity and inherent common sense of the concept. It is aimed at predominantly rural areas with fairly high population densities and a predominance of small-scale peasant-proprietors, and it is particularly relevant to poor countries in which governmental financial and manpower resources are scarce. It is concerned to bring about a gradual nucleation of dispersed rural populations into hamlets and villages, and to encourage urbanization by 'strengthening strategically located key market towns'. In particular, it is intended to encourage a concentration of public services in 'rural growth centres', which not only serve their nucleated village or town populations, but also provide a wide range of

services to the surrounding dispersed rural population. Such an approach is heavily based on the inherent logic of central-place studies, attempting to produce small agglomerations of service activities and agroindustries which can act as 'motors' for the development of their surrounding areas. It is also an attempt to counter the rapid growth of a few large (and often 'primate') metropolitan areas by canalizing government investments towards the lower levels of the urban hierarchy and, through the services provided in small towns, to the rural populations.

Rural development programmes based on a UFRD approach have been implemented in at least ten countries and have been proposed in many more. Sometimes, such programmes have originated directly from USAID initiatives taken since the mid-1970s, but in others they have been derived from much earlier initiatives linked to the works of such pioneers as Mosher and Johnson. In all cases, however, the implementation of such schemes has run up against a wide range of snags, varying from the classics prejudicing all development programmes (political bickering, interinstitutional rivalries, personalism, bureaucracy, ineptitude, instability, corruption, etc) to some problems which are very specific to the approach itself.

Without doubt, the problem most closely associated with the UFRD approach is that of the 'parasitic' town or city, a direct vestige of colonialism whereby external influences were based in the towns, and these influences were used to control, evangelize, and, above all, commercially exploit the indigenous populations of the surrounding rural areas. Though classically associated with Hispanic America (Kahl, 1976), the exploitative role of parasitic towns and cities is equally relevant to the heritage of the British, French, and Portuguese Empires, and it is even found in some areas of the world which have never been subject to European colonial rule. It is widely known as 'internal colonialism', and is simply a reflection of urban-rural status differences and of the use of absentee landlordism, various forms of bonded labour, moneylending, and high commercial gains through severely unequal exchange, as means to extract surplus value from the rural population and to concentrate the accumulated wealth in urban areas. Time and time again, therefore, the implementation of UFRD-style approaches has run up against the selfishness of small-town elites, who attempt to canalize all new services and investments to their own benefit and who show little or no interest in achieving effective outreach to the rural population. In such cases the UFRD investments in urban areas merely accentuate urban-rural inequalities by providing improved urban conditions and higher urban incomes without transferring any benefits to the rural populations.

Such difficulties are compounded by the severe problems encountered in many Third World countries in recruiting efficient, hard-working, and honest personnel to work at the local level, and in persuading government institutions to adapt their working regimes to the distribution of local service-centres and the spatiotemporal distribution of periodic markets. In country after country and in local area after local area, the same basic case histories are recounted: the agricultural bank or extension office which closes at weekends, even though the weekly market attracting peasants into town is held at the weekend; the local administrator of the marketing or electrification cooperative who pocketed the funds and disappeared; the nurse or teacher who discriminates against peasants and who is absent for several working days each week because of lack of higher-level inspection and control; the elaborate 'shows' put on every time a high-level official visits the area, giving the appearance of efficient service-provision and rapid rural development, when the opposite is really the case; and the oligopolistic controls of such key resources as land, water, and agricultural credit by a small minority of the population resident in the local towns or in distant cities, thus impeding a broader participation in the benefits of increased

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production and providing a severe disincentive to the greater use of abundant local labour in the production process.

The problems faced by UFRD in no sense reflect deficiencies in the inherent logic of the approach, but rather the fact that strategies based on the efficient location of services do not in themselves resolve the fundamental inequalities or destroy the long-established exploitative mechanisms found in most Third World countries. Indeed, the most basic problems of UFRD may stem from governmental desires to provide a semblance of 'action' and some coherence to their development strategies, while deliberately avoiding the fundamental issues underlying severe socioeconomic, interregional, and urban-rural inequalities. Time and time again, there is an attempt to locate services in key market towns without any effective administrative decentralization to the level of such towns or any meaningful attempt to ensure a direct majority-participation of the rural population in local government and service supervision. Even more notably, most UFRD schemes are implemented without any change in the attitudes of 'metropolitan superiority' by the key figures in government, whereby only low-level functionaries are expected to live and work in small towns and peripheral regions, and whereby most rural areas are offered little more than 'service provision', with most major government and private sector capital investments continuing to reinforce the commercial/real-estate/industrial economy of the large cities. A 'passage to India', for example, is sufficient to indicate that decades of government service-provision in key market towns have achieved very little vis-à-vis the continuing concentration of major investment in the largest cities (Delhi, Bombay, Calcutta, etc) and in other major industrial centres (Ranchi, Kanpur, etc). The investments in key market towns have remained little more than tokens, representing very small percentages of total public investment, and it can be little surprise that, as a result, their impact has been decidedly limited.

In recent years, the most problematical aspect of the UFRD projects supported by foreign aid agencies has been the selection of countries and regions for the implementation of pilot schemes. In USAID's case, for example, the degree of interest shown by local development-aid missions and by host-country governments has varied enormously. Many of the more 'enthusiastic' countries where pilot projects have been implemented, however, have proved strikingly inappropriate for such schemes. UFRD has often been seen as an alternative to land reform and the redistribution of income and wealth, offering an apparently painless approach to rural development from the viewpoint of foreign, national, and local elites. The result has been its adoption in a number of countries which have very questionable human-rights records and severe problems of internal repression and/or antigovernment guerilla activity; for example, Guatemala, Bolivia, and the Philippines. As the current democratic transition of bankrupt Bolivia shows, conditions may improve in such countries, increasing the probability that the human resources, studies, and lessons of experience accumulated during UFRD pilot schemes may have some useful long-term effects. It is still questionable, however, whether the technical and financial assistance given to repressive regimes and to countries in states of virtual civil war is in any sense moral, appropriate, or conducive to anything remotely resembling 'integrated rural development'. Even when UFRD is not applied in countries governed by especially right-wing regimes or in contexts of repression or civil war, the governments which have opted for such schemes have often been those of countries and regions which are strikingly inappropriate. One of the key USAID pilot schemes for UFRD was in Upper Volta, a sparsely populated country suffering from extreme problems of drought and desertification. Upper Volta's urban hierarchy is very poorly developed, and the facts that internal and international migration rates are exceptionally high and that some population groups are seminomadic, further impede a UFRD strategy.

Similarly, the part of Bolivia chosen for the pilot UFRD effort is the Department of Potosí, an exceptionally sparsely populated highland Department with conditions far less favourable for such a strategy than the more densely populated areas in the Central and Northern Altiplano.

The question of where UFRD will go in the future cannot easily be answered. Considerable interest has been expressed by a number of governments and USAID missions in establishing new pilot programmes, and there is a surge of international conferences and publishing activity on 'intermediate cities', 'rural growth centres', and 'the role of small towns in national development'. There can be little doubt that rural development strategies based on the location of services in selected market towns will continue to be devised and implemented in a wide range of countries. It is to be hoped that a substantial proportion of the new experiments will take place in countries with relatively stable and democratic regimes, internal order, no major international conflicts or natural disasters, and a majority of the rural population in fairly densely populated peasant-farming areas. If these preconditions are fulfilled, and if the strategy is implemented on a large scale over several years, it will be possible to assess its real impact on socioeconomic development. In the meantime, a realistic evaluation of UFRD's potential must emphasize the inherent common sense and the correct spatial logic of the approach, and also the countervailing fact that it does not in itself present a solution to the gross inequalities in the distribution of income and wealth which characterize the 'underdevelopment' of most Third World countries. Only governments which are prepared to tackle these inequalities head-on are likely to reap the full benefits of a UFRD strategy.

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