

EVIDENCE-INSIGHTS-POLICY

URBANIZATION AND POVERTY REDUCTION: THE ROLE OF SECONDARY TOWNS IN TANZANIA

CONTEXT

Urban development policy debates tend to overemphasize large urban agglomerations in big cities. However, **in Africa, urbanization is increasing in small towns.** This research examined the role of secondary towns in migration and poverty reduction in the context of Tanzania using various analytical tools, including theoretical, quantitative and qualitative research methods.

DATA

The research used the Kagera Health and Development Survey (KHDS), a panel data on migrants from Kagera, a large, remote region in northwestern Tanzania. The data tracked all original rural residents who left for other places. The survey contains information about 4,339 individuals. Initial interviews were held in the early 1990s, and participants were re-interviewed in 2010.

RESULTS

Christiaensen, De Weerd and Kanbur (2018) decomposed total income growth and total poverty reduction in the Kagera

data sample into that realized by people who migrated to (or stayed in) rural areas, secondary towns, and cities. Even though average income gain and average poverty decline were larger among migrants to cities, the analysis revealed that migration to secondary towns contributed more to total income growth and total poverty reduction than migration to cities as a result of larger migrant population to towns than to cities.

- ⊙ The contributions to total income growth of migration to cities, towns, and rural areas were, 34%, 38%, and 29%, respectively.
- ⊙ The contributions to total poverty reduction of migration to cities, towns, and rural areas were, 25%, 35%, and 40% respectively.

(2) Christiaensen, De Weerd and Kanbur (2017) introduced a theoretical framework to explain why more people move to secondary towns despite the higher earning potential in cities. The authors extended the basic Todaro model of rural–urban migration to a model of migration from a rural area to two destinations: a secondary town and a big city.

The key parameter of the model is the difference in migration costs to the town versus to the city, which explains why many migrants choose towns over cities. A simulation using the Kagera data demonstrated that migrating to cities costs about twice as much as migrating to towns.

Further simulations compare the impact of job creation on poverty reduction in cities and towns. In the Kagera data, one additional formal wage job in Dar, the capital of Tanzania, would lift 3.36 poor people out of poverty, but the same job would lift 5.74 people out of poverty if created in a secondary town. It must be noted that this simulation ignores other considerations, such as differences in the cost of formal job creation and spillover effects in towns and cities.

(3) Ingelaere, Christiaensen, De Weerd, and Kanbur (2018) analyzed the qualitative data (life histories) of 75 migrants selected from the Kagera sample and interviewed regarding their migration experiences to understand migration from migrants' perspectives. The stories of 75 respondents derive two key features: a person's action space and cumulative causation. Action space defines the range of possible destinations a migrant can realistically move to

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and is determined by aspirations, resources, and social norms. Migration is not a one-time event, but a sequential, cumulative process. Thus, by altering their action spaces, migrants become physically, economically, and socially more mobile.

In this conceptual framework, secondary towns serve as entry points that expand the action spaces of rural residents, who transit to larger cities or end up living in secondary towns. Cities are more appealing but harder to reach and more difficult to navigate for rural residents, especially those leaving rural areas for the first time. Secondary towns, then, emerge as middle grounds between the reciprocal village economy and monetized city life. **Secondary towns, therefore, have great potential as vehicles of inclusive growth and poverty reduction in urbanizing developing countries.**