

The Peri-Urban Interface Offers New But Volatile Sources of Increased Income

The peri-urban interface (PUI) creates conditions that can offer opportunities for new productive activities with potential to generate higher levels of income. However, these opportunities tend to be volatile, changing in nature and scope as the urban area grows.

For some years, it has been recognised that proximity to urban opportunity offers the potential to lift people from poverty. Off-farm employment, changes in marketing opportunities and the availability of inputs for peri-urban production have been identified as being particularly useful in assisting in the identification of new livelihood opportunities.

Shifting Income Sources. The PUI is characterised by rapid change in the availability of livelihoods choices. There is typically a wealth of new opportunity, but little certainty as to which options will prove viable.

For the peri-urban poor, livelihood activities tend to fall into two broad categories of cash-based and non cash-based activity, with markedly increasing emphasis on the former. Non cash-based activities include household food production; fuel, fodder and medicinal herb collection; and extraction of building and artisanal materials, all of which are dependent on free access to communal natural resources.

Cash-based activities tend to occur on a self-employed basis in agriculture and in business/trade, and as wage-based employment across a range of sectors. It is in this area that the most marked shifts in income sources and livelihoods opportunities occur, and the diversity of activity is a reflection of this dynamism. Peri-urban households are typically engaged in the primary or tertiary sectors, but with the only significant manufacturing activity being small-scale artisanal production (e.g. carpentry, textiles, shoe-making, leaf plate making). Examples of self-employment activities reported in Hubli-Dharwad and Kumasi include dressmaking or tailoring, provision of ancillary skills required by the building and construction industry (e.g. plumbing, electrical work and welding) and general service provision such as driving or providing transport.

In both Hubli-Dharwad and Kumasi PUIs, production of certain traditional items (e.g. leaf plates, pottery, woven grass goods, woodcarving and shoes) is becoming uneconomic in the face of global competition and the increasing availability of cheaper or more convenient alternative materials. However, products that meet niche market or traditional cultural needs continue to see successful and, in some cases, expanding production.

Peri-Urban Agriculture. Agriculture remains an important livelihood component for many peri-urban residents, although that too changes with urban expansion. Peri-urban agriculture typically becomes more intensive as the urban area grows. Production emphasis shifts towards high value, perishable products such as vegetables, milk, eggs and fish, all with a ready urban market.

Most frequently reported peri-urban income generating activities

	Hubli-Dharwad (% amongst all groups)	Kumasi (% amongst poor and very poor)
Agricultural production/farming	15.8	41.7
Agricultural labour	36.8	NA
Non-agricultural labour	24.5	NA
Artisanal work	6.1	5.9
Trading	5.3	19.8
Service provision	NA	13.0

However, the economic benefits of these markets are unevenly shared and a dichotomy has emerged between richer and more entrepreneurial peri-urban farmers who are able to take advantage of the opportunities offered by the proximity of urban markets and asset-poor farmers who struggle to provide sufficient food to meet their own household requirements. In many instances, maintaining livestock remains a viable option for the poorest groups because it is not linked directly to land ownership. In Hubli-Dharwad, for instance, dairy farming affords an excellent income-generating opportunity for women.

*This is a message from new research into lives affected by the meeting of rural and urban; of country and town: the meeting called the **peri-urban interface**. It is a product of ten years of study, focusing on livelihoods, systems of production and poverty in Kumasi (Ghana), Hubli-Dharwad and Kolkata (both India). It was funded by the Natural Resources Systems Programme of the Department for International Development of the UK Government (DFID), for the benefit of developing countries. The view expressed are not necessarily those of DFID.*

The source of this brief is “A Synthesis of Peri-Urban Research of Kumasi, Hubli-Dharwad and Kolkata PUIs” at <http://www.ucl.ac.uk/dpu/pui/research/previous/synthesis/index.html>, which is also Annex B of the Final Technical Report of NRSP Project R8491

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In Kumasi, men appear to have moved from reliance on tree crops (cocoa and oil palm) to vegetable cropping. This has apparently been caused, at least in part, by diminishing availability and security of access to land, and a consequent inability to accommodate the longer growing cycles required for tree crops. Women are tending to concentrate on less productive agricultural activities, including cultivation of low risk, low profit staples (maize, cassava, plantain, yam and coco yam), subsistence cropping and specific vegetables.

Trading. Trading is the most significant livelihood activity after agriculture. Trading patterns tend to be complex and feature a flow of goods that is typical of the PUI: rural production is transported into the city, while manufactured or processed goods are brought from the city. People may sell their own produce, or else purchase on a wholesale basis; reselling to retail clients. These approaches are also frequently combined, while others choose greater specialisation as dealers in specific commodities. The outcome of trading activity varies widely between rich and poor and between genders. In all instances, profit must be generated by sourcing products at a cheaper rate, allowing the trader to sell at a higher price. This may involve acquiring agricultural or locally produced consumer goods in more rural areas (such as leaf plates in Hubli-Dharwad and grass mats or shoes in Kumasi) and selling closer to the city. Alternatively, domestic goods such as salt, oils, detergent, or other foodstuffs may be purchased wholesale in the city (and sometimes repacked into smaller packs), then sold in more rural areas. In many instances, consumer goods are traded in a similar manner.

A wide range of market outlets are utilised, including permanent shops and kiosks, temporary stalls, formally allocated market spaces, space in squatter markets, pavement or roadside locations, and house-to-house or intersection vending. Agricultural commodity sales also take place via specialised agricultural sales infrastructures.

The poor are often excluded from formal markets as a result of the cost of renting space or otherwise complying with local regulations.

Resource Recycling. A further potential income stream that is particular to the PUI is recycling of urban waste. For example, in the East Kolkata

Wetlands 'economic ecosystem', wastewater-based agricultural, horticultural and fishpond systems are central to livelihood strategies. An estimated 50,000 fishing, horticultural and agricultural jobs are supported by the use of urban sewage wastes.

A large and diverse range of ancillary occupations also revolve around the resultant fish and vegetable production. These activities include security provision, harvesting work, produce packing and transport, auctioneers, traders, retailers, fish seed raisers, boat builders, net makers and labour engaged in maintenance of wastewater systems.

Trials of New Livelihood Strands. The research encouraged trials of new or enhanced natural resource based activities, such as agro-forestry, urban dairy production, and trading linked to agricultural production. Also, a range of activities were piloted that required modest levels of physical space and therefore suitable for landless people. These included mushroom, snail, and small animal raising, vermiculture and soap production. In some instances, training in business and marketing also led to people trading in non-natural resource-based items.

These trials provided valuable information on what works, and which activities create future challenges for people in making the transition from rural to urban livelihoods. For example, one of the most important considerations in terms of crop selection for the poorest farmers is the speed of the production cycle. For these people, it is important to achieve the briefest possible gap between purchasing seed and other inputs, and the availability of produce to sell.

The research also shows diversity in cropping provides an effective cushion against livelihood shocks. Interventions that introduce improved agricultural techniques, livestock husbandry, soil fertility and water management serve to encourage cropping diversity and to promote agro-forestry.

The research findings therefore serve as a valuable starting point for consideration of effective strategies for improvement in income generating capacities.

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Policy Implications

There are many ways in which policy is able to exploit urbanisation in order to improve the incomes

of peri-urban people while increasing economic growth. Effective policy formulation will seek to identify and emphasise such strategies, while allowing for their volatility.



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