

The Economic Implications of Rapid Urban Growth in the Third World Countries

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ABSTRACT Apart from the natural population growth which accounts for urban population in the third world countries, rural-urban migration has accounted for the major growth and the resulting resource cost of providing for rapidly expanding urban population. The great majority move for economic reasons. Studies throughout the third world report time and again that the great majority of migrants consider that they have improved their condition, and that they are satisfied with the move. A paradox arises between the rationality of the individual and the small group decisions to migrate and the irrationality of the migrating movement when considered at the level of the national economy. This micro/macro paradox is resolved when the migratory movement is seen as a mechanism that allows some of the disadvantaged rural population to partake in a small measure of the resources disproportionately concentrated in urban areas. In the absence of effective policies to redistribute productive resources and/or income across the rural-urban divide, rural-urban migration can be argued to contribute to economic development, defined to include distributional aspects.