International Labour Review, Vol. 121, No. 5, September-October 1982

Employment and large cities: Problems and outlook

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It is widely recognised that the many and varied aspects of the employment problem are influenced by the geographic context in which they are set. A major distinction which has long been clear is that between town and country. Although the fundamental difference between the dominant form of employment in each is not the only basis of this distinction it is nevertheless the main one. By overcoming the problem of the low agricultural surplus, the Industrial Revolution removed the obstacle to any radical shift in the balance between town and country life and turned the town into the dominant framework for the life of present-day developed societies, as it will be for the whole world a few decades from now. This relative growth in importance of the urban sector has gone hand in hand with a change in the nature of towns and cities. Of all the many changes that have occurred the main one has undoubtedly been the growth in their size and the emergence of huge cities for the first time in human history. It is increasingly obvious that the size of cities is having far-reaching effects on many aspects of the life of their inhabitants, including employment: the specific character of job offers, skills, working conditions, etc. Our aim here is to shed light on the employment problems peculiar to the large cities which are to dominate the urban way of life in the future.

This article is divided into four parts. In the first we shall briefly trace the history of the emergence of large cities and in the second we shall examine the outlook for the future. The third part will attempt to answer the many questions about the effects of city size on general living conditions, and the final part will discuss the effects of city size on the various aspects of employment and the ways in which it might develop.[1]

The emergence of big cities and giant agglomerations

Even if we begin by defining cities as those with a population of over 500,000 inhabitants, it will be apparent that they are a fairly new phenomenon. To be sure, in both the Western societies and those of Asia and the

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Islamic world one can find examples of urban areas with populations of similar size, or even larger, prior to the Industrial Revolution. However, these were very few in number and comprised the capitals or metropolises of vast empires such as Rome, Paris, London, Constantinople, Peking and Baghdad (and perhaps two or three others) which in their heyday had populations ranging from 500,000 to 1 million inhabitants–and sometimes even slightly more–over fairly long periods. Since these cities reached the height of their prosperity in different eras it may be said that before the Industrial Revolution there were never more than five to seven cities in the world at any one time with more than 500,000 inhabitants. By 1910, however, Europe alone (excluding Russia), which comprised a sixth of the world's population, had 25 cities of this size.

If we attempt to trace the development over the centuries of such cities in the present industrialised world, it will be seen that, apart from ancient Rome, we find that it was not until the end of the seventeenth century that two agglomerations (Paris and London) reached the 500,000 mark. We have to wait until the end of the 1840s for a third city in the developed world (New York) to join this little group. However, once the Industrial Revolution had burst the fetters of subsistence economies, there was a veritable explosion: 33 cities of more than 500,000 inhabitants by 1900; 120 by 1950; 193 by 1970 (see table 1); and more than 240 at the present time (1982). In the developed countries alone the population of all these cities, which was approximately 4 million around 1850 and 39 million at the turn of the century, is now estimated at some 370 million. This means that nowadays 3 people in 10 live in such cities and the proportion is 4.5 out of 10 if we consider only the urban population.

Parallel with this rapid rise in the number of cities, the size of the biggest soon began to swell enormously. Before the Industrial Revolution there was probably no city with a population of more than 2 million (and possibly not even more than 1.5 million); however, London had more than 3 million inhabitants by 1860 and more than 7 million before 1910. Just before the outbreak of the First World War Europe had five cities with about 2 million inhabitants (Berlin, Saint Petersburg (Leningrad), London, Paris and Vienna). Outside Europe, three names have to be added to this list (New York, Chicago and Tokyo).

The increase in the size of cities continued after the First World War. New York was the first to have more than 10 million inhabitants–the same number as in all the 500 or so towns and cities in Europe (and North America) around the year 1600. New York had reached this size by 1930, 10 years after overtaking London which had since 1830 been the biggest city in the world. London had itself pushed Peking out of top place, a position it had also held for approximately a century. New York continued to grow and was also the first to top the 15 million mark around 1964-66. In short, the era of the giant metropolis had arrived. Moreover, it is interesting to note that these huge cities have been given a tremendous variety of designations

Table 1. Growth in the number of cities[1]

Cities, by size	1900	1950	1970	1980[2]
Developed countries				
0.5 to 1 million	24	68	102	121
1.0 to 2.5 million	6	38	67	81
2.5 to 5.0 million	2	9	15	20
5.0 to 10.0 million	1	3	6	6
10 million and over	–	2	3	3
Total	**33**	**120**	**193**	**231**
Third World				
0.5 to 1 million	14	41	88	130
1.0 to 2.5 million	2	21	51	75
2.5 to 5.0 million	–	3	13	22
5.0 to 10.0 million	–	3	10	15
10 million and over	–	–	1	3
Total	**16**	**68**	**163**	**245**
The world				
0.5 to 1 million	38	109	190	251
1.0 to 2.5 million	8	59	118	156
2.5 to 5.0 million	2	12	28	42
5.0 to 10.0 million	1	6	16	21
10 million and over	–	2	4	6
Total	**49**	**188**	**356**	**476**

[1] City defined as more or less equivalent to metropolitan area. [2] Provisional figures derived in part from projections.
Sources: P. Bairoch: *Taille des villes, conditions de vie et développement économique* (Paris, Editions de l'Ecole des hautes études en sciences sociales, 1977), and idem: *Ville et développement économique* (Paris, Gallimard, forthcoming). Some figures were revised for this study.

(megalopolis, metropolis, conurbation, etc.). Today one inhabitant in seven in the developed world lives in such vast cities (with more than 2.5 million inhabitants).

However, a number of factors, of which the most important is the deterioration in the urban environment, have led to a very marked slowing down in the growth of such big cities as soon as they reach the figure of 8 to 10 million inhabitants. This is what happened, for example, in London in the 1960s and in other cities in the 1970s. To be sure, in some of them the brakes on urban growth were in part deliberately applied. Nevertheless, even in these cases, such steps resulted from recognition of the deterioration in conditions of urban life and probably came only slightly ahead of an inevitable trend. For example, if we consider all the cities in the developed countries which had more than 8 million inhabitants by 1970, it can be seen that their population increased by only 3 per cent between then and 1980, whereas the rate was 16 per cent in the urban areas of these countries as a

whole. Even if we take only those cities which had 3 to 8 million inhabitants in 1970, their growth can also be seen to have been on a lesser scale (7 per cent) than that of smaller cities and towns. We shall see later on that, while this slowing down and, in particular, the decline in the growth of giant cities may be desirable from many angles, they nevertheless raise new social problems which can be very serious.

By the 1960s, at the very time when the growth in the population of giant agglomerations in the developed world was starting to slow down, an even more striking phenomenon attracted the attention of observers of the world's economic and social life: galloping urbanisation in the Third World. This phenomenon is now well known; nevertheless, it is worth recalling that between 1950 and 1980 the urban population of the Third World grew from some 260 million to approximately 940 million inhabitants, representing an annual increase of 4.4 per cent, with the rate of urbanisation (i.e. the relative size of the urban population) rising from 16 to 29 per cent (see table 2). These changes occurred at a rate which had never previously been observed and have come about as a result of unprecedented natural growth combined with large flows of rural-urban migrants.

This urban inflation in the Third World was accompanied by an extremely rapid growth of the big cities. Those with more than 500,000 inhabitants, of which there were 16 at the turn of the century and 68 by 1950, numbered 163 by 1970 (see table 1) and at the present time (1982) there are probably 260 to 270 of them. Furthermore, the concentration of the urban population in very large cities is, at an equivalent stage of development, more pronounced in the Third World than in the developed world. At the present time, almost 40 per cent of the urban population are living in cities of more than 1 million inhabitants.

Outlook for the year 2000

In the developed countries, because of the high level of urbanisation already reached and the low increase in the over-all population, the growth in the urban population will be fairly moderate in the coming decades. According to United Nations estimates,[2] between 1980 and the year 2000 the total urban population will increase at an annual rate of 1.4 per cent. Since these forecasts were made in the middle of the 1970s they were unable to take into account a significant change which has become increasingly apparent in trends in this field. The results of the 1980 censuses and other estimates in fact show a very marked slowing down in urbanisation. In a number of developed countries the rate of urbanisation even became stagnant between 1970 and 1980. Nevertheless, as far as cities are concerned, they have generally continued to grow; and it is highly probable that this trend will continue into the future, except, of course, in the case of the giant cities discussed above.

Table 2. Growth in the population of cities[1] (millions of inhabitants)

City, by size	1900	1950	1970	1980[2]
Developed countries				
0.5 to 1	14	45	71	84
1.0 to 2.5	10	54	98	121
2.5 to 5.0	8	31	47	61
5.0 to 10.0	7	18	44	45
10 and over	–	23	40	40
Total for above	**39**	**171**	**300**	**351**
Total urban population[3]	**123**	**388**	**662**	**768**
Total population	**550**	**840**	**1 070**	**1 166**
Third World				
0.5 to 1	11	28	59	90
1.0 to 2.5	2	33	78	119
2.5 to 5.0	–	9	44	73
5.0 to 10.0	–	16	72	104
10 and over	–	–	10	36
Total for above	**14**	**86**	**263**	**422**
Total urban population[3]	**99**	**259**	**631**	**944**
Total population	**1 090**	**1 650**	**2 590**	**3 250**
The world				
0.5 to 1	25	73	130	174
1.0 to 2.5	12	87	176	240
2.5 to 5.0	8	40	91	134
5.0 to 10.0	7	34	116	149
10 and over	–	23	50	76
Total for above	**53**	**257**	**563**	**773**
Total urban population[3]	**222**	**647**	**1 293**	**1 712**
Total population	**1 640**	**2 490**	**3 660**	**4 416**

[1] City defined as more or less equivalent to metropolitan area. [2] Provisional figures derived in part from projections. [3] Urban population refers here to people living in towns of 5,000 and more inhabitants.
Sources: See table 1.

In the Third World the outlook is naturally very different. The galloping increase in the urban population will probably continue during the coming decades. According to the United Nations forecasts, between 1980 and 2000 this population will increase by 4.0 per cent a year, almost doubling the total number of urban dwellers, who will thus number an additional 1,000 million or so. Inasmuch as the average rate of urbanisation in the Third World by the year 2000 will be in the region of 42 to 44 per cent and the total population will continue to rise quite rapidly,[3] a continuation of the very rapid growth of the urban population is only to be expected. A simple extrapolation based on the medium variant of the United Nations projection for the total population

and continuance of the pace of growth in the rate of urbanisation as envisaged for the years 1980 to 2000 results in a additional 1,800-2,000 million inhabitants in Third World towns and cities between the years 2000 and 2020. However, it should be noted that the basic hypothesis of the total population forecasts of the United Nations are somewhat optimistic as regards the reduction in the birth rate and consequently the slowing down in the rate of demographic growth: in the Third World, this rate, which is in the range of 2.0 per cent a year, is expected to drop to 1.2 between the years 2015 and 2020. Let us now turn to the forecasts concerning the size of cities.

Two forecasts exist for changes in the size of the world's cities up to the year 2000; one by the Population Division of the United Nations Secretariat and the other by ourselves (see table 3). It will come as no surprise to note that the two are not in complete agreement. Both projections were made at more or less the same time and, although ours were, by force of circumstances, less elaborate, we think they have a good chance of being more realistic. The main variations stem from the different assumptions about the slowing down in the growth of the urban population beyond a certain threshold. Our assumptions forecast a net slowing down, or even stagnation, in the growth of cities beyond a certain threshold (usually 10 million) whereas the United Nations forecasts see little variation in the growth curve of the population according to the size of the cities. However, if we were wrong this could only mean that at all events the problem of big cities would become even greater than we thought.

As can be seen from table 3, by the year 2000 the number of cities (of more than 500,000 inhabitants) will be in the region of 850 and their population around 1,600 million inhabitants. In other words, a quarter of the world's population will be living in such cities in less than 20 years' time. The number of big cities (of more than 2.5 million inhabitants) will be in the region of 145 with a population of approximately 830 million according to our estimates and 910 million according to those of the United Nations. The main difference is in the cities with more than 10 million inhabitants, of which we estimate there will only be 20 by the year 2000 (25 for the United Nations) with an average population of 14 million (16 million for the United Nations).

According to the United Nations projections, eight Third World cities will have more than 15 million inhabitants by the year 2000. In decreasing order and in millions of inhabitants these are: Mexico City, 31; São Paulo, 26; Shanghai, 22; Peking, 20; Rio de Janeiro, 18; Jakarta, Bombay and Calcutta, 17. Personally we do not think that they will reach these figures or that any one of them will have more than 20 million inhabitants by that date. After all, there is no reason why the problems encountered by the huge cities of the Third World should be less serious than those facing the cities of the developed world, quite the contrary! To be sure, demographic pressure may lead to higher ceilings but very probably not above 20 million in the 18 years between now and the end of the century.

Table 3. Projections of the number of cities and their population for the year 2000

City, by size	Developed countries		Third World		The world	
	United Nations[1]	Author	United Nations[1]	Author	United Nations[1]	Author
			Number of cities			
0.5 to 1	174	174	220	286	394	460
1.0 to 2.5	112	119	183	164	295	283
2.5 to 5.0	30	29	55	59	85	88
5.0 to 10.0	9	7	24	32	33	39
10 and over	5	6	20	14	25	20
Total	**330**	**335**	**502**	**555**	**832**	**890**
			Population (in millions)			
0.5 to 1	117	121	148	198	265	319
1.0 to 2.5	170	183	280	265	450	449
2.5 to 5.0	100	96	194	206	294	302
5.0 to 10.0	68	45	149	203	217	248
10 and over	84	82	314	198	398	281
Total	**538**	**527**	**1 085**	**1 070**	**1 624**	**1 598**

[1] The United Nations did not specifically calculate the figures for all cities of 500,000 to 1 million inhabitants. The figures given here are interpolated by us on the basis of the United Nations data. They perhaps contain a bias towards underestimation.

Sources: United Nations: *Patterns of urban and rural population growth* (New York, 1980), table 48, pp. 125-154; P. Bairoch: *Taille des villes, conditions de vie et développement économique* (Paris, 1977).

The big cities (of more than 2.5 million inhabitants) will thus have, in less than 20 years' time, say 840 to 900 million inhabitants, i.e. 13-14 per cent of the total and 26-28 per cent of the urban population. If one extrapolates roughly for the year 2020 (which is only 38 years away) we arrive–assuming there is no shift in current trends–at a big-city population representing 20-25 per cent of the total and 31-39 per cent of the urban population. As can be seen, in the future even more than today the problems facing these cities will be very grave simply because of the size of the population concerned.

The size of cities and general conditions of life

Before discussing the links between the size of cities and the various employment-related aspects, it might be useful to examine the principal aspects relating to general conditions of life. We shall do this by summarising the main conclusions we have arrived at in analysing these problems.[4]

First of all let us consider climate and pollution. Since the beginnings of urban history, city dwellers have recognised the inconvenience of cities in

these regards. Seneca wrote about the polluted air of ancient Rome and in summer, in order to flee the heat of the city, the "upper" classes very soon found that a country house provided the answer. In this respect it might be considered that the optimum size of a city tends towards zero inhabitants. However, it would seem that the problems become serious only beyond a certain size, namely 600,000 inhabitants for cities in the developed countries, or rather those in the temperate zones, and approximately 500,000 in hotter climates.

Two other areas in which the optimum size of towns is close to zero inhabitants are those of crime and congestion. In the case of crime the situation seems to get noticeably worse where there are more than 1 million inhabitants. As regards problems relating to urban traffic there are two thresholds. The first is where the size of cities makes it essential to establish an efficient network of surface public transport in order to reduce congestion where there are a large number of cars on the roads or, where there are not so many cars, long distances have to be travelled. This limit can be fixed at around 200,000 inhabitants in the developed countries and approximately 400,000 to 500,000 in the developing countries. The second threshold is where, despite this transport network, the congestion becomes too great and necessitates the building of an underground public transport network without this being fully justified by the size of the city. This upper limit can be fixed at around 400,000 to 600,000 inhabitants for the developed countries and probably around 800,000 to 1 million for the Third World.

A fairly direct link exists between city size and housing conditions. This is true both in terms of cost (to which we shall return in the following section) and overpopulation, this second aspect being moreover a direct result of the first. Here, as with almost all other aspects, particular conditions can produce exceptions, but on the whole it is beyond the 500,000 mark that the situation really deteriorates and at around 100,000 inhabitants that it is at its best. In the big cities of the developed countries there is also a very specific problem which is in danger of becoming worse if the tendency towards stabilisation or even a drop in the population becomes more marked in the future. What we are referring to here is the abandonment of a number of dwellings which the normal conditions of the market render unprofitable and rapidly start to deteriorate; subsequently they attract a socially underprivileged population but one which is proportionally predominant in these districts. This is an important aspect to which we shall return.

Another aspect of the housing question is one which concerns almost exclusively the countries of the Third World: shanty towns. These are unquestionably linked with the growth of big cities. However, there are insufficient data available as yet to gauge the extent to which the relative importance of shanty towns is directly related to the size of cities.

Cities and leisure-time activities have long been almost synonymous. The successive appearance of gramophone records, radio and above all television have considerably reduced the quasi-monopoly of the city in this field for a

very large proportion of the population. Nevertheless, another proportion still has leisure needs which can only be justified economically in a big city: theatres, concerts, operas, big sporting competitions, exhibitions, etc. A city of 300,000 to 500,000 inhabitants meets the conditions necessary for enabling such activities to survive in most of the developed countries. In the Third World countries and also in many regions of North America a city would as a rule need another 100,000 to 200,000 people to arrive at the same situation. In any event, above 600,000 to 800,000 there are no more real improvements for the vast majority of the inhabitants; the increase in the potential supply is in practice offset by the distances that have to be covered. Furthermore, it is significant to note, for example, that theatre and cinema attendance is as a rule higher in cities of 200,000 to 500,000 inhabitants than in the bigger cities.

There are also many other aspects of conditions of life where, in cities of 500,000 to 1 million inhabitants, either the advantages cease to grow or the disadvantages become very pronounced. Random examples would be in the areas of education, sales networks and private services, political participation, the cost of urban infrastructures, urban services, social isolation and mental health.

Size of cities and employment problems

Characteristics of urban employment

One of the major causes of rural-urban migration has always been of an economic nature. The number and, above all, the diversity of employment opportunities have always represented the prime attraction of cities. Consequently, the first question we must ask ourselves is whether these opportunities are linked to the size of cities. The answer is clearly in the affirmative: there is no doubt that the range of economic activities is wider in a big city than in a small town. However paradoxical it might appear, this range is made even greater by the fact that very large industrial undertakings are only rarely located in big cities. As a general rule, it is in towns with around 100,000 inhabitants or even less that one finds a concentration of undertakings producing semi-finished items and both industrial and household goods. In medium-sized towns (100,000 to 500,000 inhabitants) one comes across industries producing capital goods (but more sophisticated ones) and some food industries. In cities with more than 500,000 inhabitants one finds more industries producing not highly standardised consumer items: clothing, printing, food, finished chemical products, furniture, light fittings, etc. Generally speaking, they concentrate on products of a high specific value and which are highly labour-intensive.

Regardless of the nature of the activities, specialists who study the characteristics of urban employment have, for the past 30 years or so, stressed the distinction between basic and non-basic jobs.[5] Basic jobs or

functions can be defined as those producing goods or services designed to be "exported" from the city whereas non-basic jobs or functions produce goods and services consumed inside the city; basic jobs or functions consequently play the leading part in the development of the city. Their scale and nature may go some way to explain differences in the growth of cities.

As was to be expected, research has shown that the relative importance of non-basic jobs increases with the size of cities. In one sense this might be considered a positive consideration since the big cities thereby acquire a certain independence vis-à-vis the national and international economic situation. On the other hand, however, in the case of very large cities in which the population is stagnating or declining, the large proportion of non-basic jobs is an additional regression factor which engenders underemployment; in short, the start of a vicious circle.

Apart from this diversity of the general run of jobs and the problem of basic jobs, one also has to take into account the availability of what we have termed urban-specific jobs. These are jobs arising out of activities specifically connected with the urban way of life such as urban transport, urban administration, traffic police and upkeep of parks. This category of jobs also includes those linked with the specific nature of urban consumption which, with a similar standard of living, leads to higher consumption of certain services. This is the case, for example, with libraries, museums and restaurants, in which a proportion of the jobs are the result of what might be termed "urban overconsumption". We should point out that this type of classification of jobs had never been proposed or undertaken before, which explains the limited information available about them.

Let us now examine the probable scale of urban-specific jobs and see whether it is linked to the size of cities. These jobs would seem to make up a significant proportion of total urban employment. In almost all agglomerations with more than 100,000 inhabitants, they constitute more than 10 per cent of the total, the average even amounting to around 16 per cent. As far as the situation in relation to size is concerned, it should be noted that the data we shall be supplying are based only on a sample comprising Third World countries. The proportion of urban-specific jobs increases with the size of agglomerations, ranging from 9-11 per cent for those with 100,000 to 200,000 inhabitants to 10-15 per cent for those with 200,000 to 300,000 and 15-20 per cent for those with more than 1 million inhabitants. It seems hardly likely that beyond a million this proportion will continue to increase.

In addition, it should be noted that a part of this job-creating effect of the big cities will probably trickle down to the countryside in the form of tourism. Although it is well known that the frequency of departures from the main residence at holiday periods (or week-ends) increases with the size of cities, this question has not to our knowledge been studied from the angle of job creation induced by city size.

There is another question which has still been very little studied and which mainly concerns the Third World: the differentiation and size of the

informal sector according to city size. This gap is all the more worrisome in that this sector is far from marginal. According to the data compiled by Sethuraman[6] for 32 cities or urban areas, the informal sector can be estimated on average as employing 35 to 45 per cent of the urban labour force. It should be noted that an analysis of the differentiation of these activities by size of city, apart from the major statistical difficulties this would present, would raise the question of the true significance of the differences thus observed.

Nevertheless, this last reservation does not diminish the reality of a diversity of employment which increases with the size of cities. The only really big reservation that has to be expressed is linked to the fact that the curve is not linear; that above 1 million inhabitants, the diversity of types of employment is probably no longer increased,[7] and the theoretical advantage of increased supply is cancelled out by the limits on the time that jobseekers have at their disposal. There is, in fact, a ceiling on the number of contacts which it is possible to make within a given length of time. The job vacancy situation at the level of each undertaking evolves rapidly and contacts have to be renewed fairly frequently if they are to be worth while. To be sure, public or private employment offices reduce some of the inconveniences of the large size of cities in this regard; however, travelling time, which increases with city size, helps to limit the number of such contacts.

Activity rates

To what extent does this wider range of jobs lead to an increase in activity rates? The available statistics and studies on the question agree: the activity rates increase with the size of cities, even when they have more than 2 million inhabitants. To be sure, account has to be taken of the effect of differences in age structures, but the increase is significant enough not to be vitiated by this factor. Moreover, it is the female activity rates which explain the main differences observed; for example, in the past the activity rate of the female population aged 24 to 60 in cities with more than 500,000 inhabitants was 15-20 cent higher than in towns with 100,000 to 200,000 inhabitants, whereas the difference was only 2 per cent for the male population of the same age.

It goes without saying that this greater participation of women in the working life of big cities is due to the opportunities for employment and especially tertiary jobs, which as a rule employ a higher proportion of female labour. However, one cannot rule out the effect of social and economic factors, which produce a greater desire or need to engage in economic activity in cities. The need certainly exists, since the available studies show that, generally speaking, although the cost of living in terms of many of its components is not invariably higher in big cities than in small towns, this is certainly not the case with rents and transportation costs.

Unemployment

We shall examine the above aspects later on, but first we must look at the other side of the general employment picture: unemployment. Logically, activity rates which increase with city size ought to be accompanied by a decreasing level of unemployment. The actual situation is less clear-cut and the dearth of studies in this field makes it even more blurred. By and large it can be concluded that in the developed countries the over-all unemployment rates tend to drop as the size of cities increases, but probably only until they reach a figure of some 1 million inhabitants. Beyond this the data tend to disagree somewhat; the main probability is that there will be a certain stabilisation. The drop in the unemployment rate is due mainly to the drop in male unemployment since it seems that the rate of female unemployment tends rather to increase with city size. In this connection one might ask whether female unemployment rates really do increase with the size of cities. As we have already seen, the activity rates of the female population show a clear tendency to increase with city size. From this angle, the lower rate of female unemployment in small towns is only symptomatic of two aspects of the general situation. The first is simply the fact that there are fewer job opportunities in the smaller towns and this tends to discourage people from looking for work. The second, which probably explains this trend, is related to the fact that increasing female activity rates are associated with types of activities (especially industrial ones) which are more subject to layoffs than are tertiary activities.

In the Third World the dearth of published studies or data makes it impossible to establish the trends in either male or female unemployment by size of city. The sole reliable indication is that the unemployment rate is as a rule significantly lower in the capital cities than in other urban areas, whatever the size of the capital. The concentration of administrative jobs and safety considerations easily explain such a situation.

Cost of living and income

Before broaching the subject of income by size of city, let us return to the question of the cost of living. We pointed out earlier that, apart from rents and transportation, the size of an urban area does not significantly affect the cost of living since livelier competition apparently offsets higher distribution costs. As far as rents are concerned, in some developed countries such as France expenditure on this item can be two or three times higher in big cities than in small towns without, however, being paralleled by an improvement in housing conditions, since we have seen that as a rule overcrowding increases with the size of a city. In other countries, such as the United States, the difference is smaller and only really increases when there are more than 500,000 inhabitants, with a further rise coming at the 5 million mark. In these very big cities, the average rent is some 20-25 per cent more

than in towns with 100,000 to 200,000 inhabitants. The sketchier information available on the developing countries leads one to suppose that there, too, expenses and housing costs rise with the size of the city.

As regards transportation costs, the findings are even more in agreement and the differences more marked. Although as a rule public transport subsidies also tend to increase with city size, the fares paid by the inhabitants of very large cities are three or four times higher than those paid by the inhabitants of small towns.

To what extent are these additional expenses offset by higher incomes, or, to put the question in more specific terms, do real incomes (i.e. taking into consideration price structures and changes) increase with the size of cities? Studies on the subject are few and far between, but sufficiently in agreement to allow one to conclude that the answer is in the affirmative on average. On the other hand, it is very difficult, if not impossible, to know how far the observed differences in real income are due to differences in the employment or skill structures. Having expressed these reservations, let us consider some rough estimates. It is probable that at each doubling of the size of cities there is an increase in the region of 1 to 2 per cent in real incomes. This of course implies quite significant differences between very small towns and very large cities; however, between those with 300,000 to 500,000 inhabitants and those with 2 to 3 million the difference is only in the region of 3 to 6 per cent, which must moreover be reduced even further owing to the additional expenditure incurred by living in the city.

Social mobility, productivity and travel

Despite higher income, however, it seems hardly likely that very large cities are more conducive to socio-economic success and social mobility than average-sized ones. The fact that the available studies on the subject almost all deal with the United States tends, however, to limit the significance of these conclusions. Furthermore, it is worth noting that the concept of socio-economic success is a subjective one. Nevertheless the findings of the studies show that, up to approximately 1 million inhabitants, there is probably a direct, but not very significant, link between city size, success and social mobility, with probably very slight differences, if any at all, beyond 250,000 inhabitants. Beyond a million there is a strong probability that there will be a deterioration in the situation and, in particular, a fairly significant one in social terms; but it is obviously quite likely that a certain proportion of people whose social position has declined will decide to seek the anonymity of the big cities in order to hide their failure.

The conclusions are similar as regards the important question of industrial productivity. This appears to increase with city size but tends to reach its maximum in those with around 2 to 3 million inhabitants.

Finally, let us recall some well-known facts. It is clear that the average length of journeys to and from work increases with the size of the city. Very

frequently, moreover, the discomfort of such journeys increases also. The cost of land in cities leads either to some activities being sited away from the centre, which often means an outlying area involving even longer journeys, or to making maximum use of the workspace, which can only be done at the expense of a deterioration in working conditions.

Conclusions

All in all, we are faced with a situation in which it is possible to distinguish two major thresholds demarcating three areas of differing conditions. The first threshold is at the level of cities with 500,000 to 600,000 inhabitants. Up to this figure there is an improvement in all employment-related aspects without any manifest deterioration in general conditions of life even though, in regard to certain aspects of these general conditions, the optimum size is nearer 300,000 than 600,000 inhabitants. The second threshold is at the level of cities with 1 to 2 million inhabitants. Up to this figure there is always an improvement in conditions of employment, but it is not very great and in addition it is accompanied by a deterioration in most of the other general conditions of life. Beyond 2 million inhabitants there is no further improvement in conditions of employment except as regards real incomes which continue to increase slightly. Furthermore, this absence of a positive trend in employment conditions is accompanied by a serious deterioration in general conditions of life.

These conclusions should nevertheless be tempered in regard to cities of more than 6 to 7 million inhabitants. While it is indisputable that these huge agglomerations suffer from grave disadvantages in regard to general conditions of life, statistical analysis has not yet made it possible to draw really valid conclusions. After all, until very recently such cities were too few in number to make generalisations possible: around 1970 there were only nine cities in the world with more than 8 million inhabitants (and only two around 1960). However, in another eight years (by 1990) there will probably be 23 to 25 of them with a total population of more than 300 million inhabitants. In addition, two-thirds of these cities will be located in the Third World.

The experience of cities in the developed countries, which are the first to have reached such sizes, leads one to suppose that the problems arising there are serious enough to have produce a very marked slowing down in the growth of their populations, if not an actual drop. We have already referred to the deterioration of some of the housing in these cities and in particular the social consequences of this. A special effort in the field of vocational training would certainly help to ease the difficulties caused by the appearance of economic ghettos of marginal urban populations. However, it is clear that the general economic situation affects the seriousness of the problems; and, because these revealed themselves at a time of rapid economic growth, which was the case of the developed world until very recently, there is a grave risk that the situation will get worse.

There is no denying that an effort will have to be made to ensure a better distribution by city size in the future. Beyond a million inhabitants the additional advantages in the field of employment become so slight–if not nil–that they certainly do not justify the disadvantages in other fields. If one wishes to give precedence to quality of life it might even be considered that beyond 300,000 to 400,000 inhabitants the disadvantages outweigh the advantages. If nothing is done, by the year 2000 there will be some 430 to 440 cities with more than 1 million inhabitants in the world (as against 225 in 1980) with a combined population of some 1,300 million, or more than one-fifth of that of the world. Special attention must also be given to the case of all the cities which, apart from serious difficulties in the field of general conditions of life, run the risk of engendering employment problems which past experience has not been able to shed sufficient light on. In fact, in future it will be necessary to think far more often in terms of employment policy at the level of the individual city. This is an approach which has hitherto been very seldom attempted by the central authorities. To be sure, there have been regional (and sometimes even municipal) attempts to attract employment-creating investment through, in particular, the establishment of industrial zones. It is very rare, however, to find employment policies which have deliberately considered the city as an entity in itself and not as the magnetic centre of a region.

Notes

[1] This article is based mainly on three studies carried out by the author: *Emploi et taille des villes* (Geneva, ILO, 1976; mimeographed World Employment Programme research working paper; restricted); *Taille des villes, conditions de vie et développement économique* (Paris, Editions de l'Ecole des hautes études en sciences sociales, 1977); *Ville et développement économique* (Paris, Gallimard, forthcoming).

[2] United Nations: *Patterns of urban and rural population growth* (New York, 1980; sales No. E.79. XIII.9), p. 11.

[3] According to the medium variant, between the years 2000 and 2020 the population of the Third World will increase by 1.4 per cent a year (idem: *World population prospects as assessed in 1980* (New York, 1981; sales No. E.81. XIII.8), p. 5

[4] Bairoch: *Taille des villes . . .*, op. cit., Part 2: "Conditions de vie urbaine: taille optima et taille limite des villes", pp. 97-264.

[5] In the past (and sometimes recently as well) the following terms have also been used for basic/non basic: city forming/city serving, exchange production/self-production, primary/secondary.

[6] S. V. Sethuraman (ed.): *The urban informal sector in developing countries.* Employment, poverty and environment (Geneva, ILO, 1981), p. 214.

[7] With the exception of capital cities since they, in any case, pose specific problems which cannot really be dealt with in the space of this article.