

URBAN CENTERS AS A CATALYST FOR SOCIO-ECONOMIC AND REGIONAL DEVELOPMENT IN TWC's: *A Case Study Of Peshawar, NWFP, Pakistan.*

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ABSTRACT:

Provincial urban centers are playing very vital role in accelerating socio-economic development in the province and regions, as urbanization generate agglomeration economies as well. A randomly selected multistage and cluster sampling method was designed and a comparison of the availability of socio-economic amenities was made by with the district of Bannu, having a representative socio-economic conditions and potentialities.

The socio-economic analysis of Peshawar revealed that it is a centre of; public and social services, commercial and personal services, regional marketing and trade, agro processing and supplies, regional transport and communications, source of income remittances, and social transportation, intra and inter provincial services, internal and external economies, small scale industries, rural -urban economic integration and regional development.

The above mentioned significant characteristics of the city have not only created a good business, trade and manufacturing oriented atmosphere in the locality but have also accelerated the pace of socio-economic development in the region as well as in the province.

Urbanization and Economic Development: A general relationship between urbanization and economic development has often been assumed, i.e. that the most highly urbanized countries are - generally the most "developed", and that the most economically "advanced" countries must also be the most urbanized ones (Tolley, 1990; Chadwick, 1990). This theory implies that urbanization is a key to development in newly industrialized countries. Renaud (1977) has examined the relationship between the economic development in Korea and its rate of urbanization in quantitative terms, and between short run changes in the dynamics of the national economy and the movement of people from the agricultural to the non agricultural sector. The rate of migration out of the agricultural sector was regarded as the annual rate of urbanization, and Renaud found that a delay or lag of 2 years occurred between growth in non-farm output and current migration, and that fluctuations in agricultural output had little impact on the rate of urbanization, i.e. there was more "pull" than "push". But urbanization is associated with urban problems like unemployment, underemployment, scarcity of transportation, communications, housing, education, health facilities, slums, pollution, even if urbanization induces economic development as

well. The following brief resume makes some generalized points about the relationship between urbanization and economic development:

1. Cities grow because there are productive things for people to do in them, when an apparent rise in national income takes place when population shifts from rural to urban areas. Given the differences in incomes between rural and urban areas, the rise in national income associated with rural-urban shifts can make it appear that urbanization is intrinsically a source of development. The rapid growth of cities is commonly associated with industrialization and accelerated economic growth and commercial and business activities, as evidenced by experience in highly built up urban centers such as Sao Paulo or Mexico City. In cases, administrative functions may also be a stimulus to rapid growth as in Delhi and Chandigarh in India or Karachi, Lahore and Islamabad in Pakistan.

2. Income elasticity of demand is higher for commodities produced in urban areas than for those produced in rural areas, which further positively influences urban income growth and encourages urbanization and economic development. An enormous growth of cities occurred in the Western World as people took the fruits of development in the form of products,