

THE ESSENCE OF URBANIZATION AS A GLOBAL ECONOMIC PROCESS

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Globally, more people live in urban areas than in rural areas, with 54 per cent of the world's population residing in urban areas in 2014. Cities are important drivers of economic development, as they concentrate most of the national economic activity, play role of transportation hubs, centers of cultural, political, fashion life, etc. Urban life is associated with higher levels of education, better access to healthcare and other social services, more opportunities for self-development, social, political and cultural participation.

The article is dedicated to domestic and international experiences in the interpretation of the essence of urbanization as an economic process and its major factors.

The process of urbanization, historically, refers to the gradual increase in the proportion of people living in urban areas. It also associated with a shift in a population from one that is dispersed across small rural settlements in which agriculture is the dominant economic activity towards one where the population is concentrated in larger, dense urban settlements characterized by indus-

trial and service activities. There is no common approach to the interpretation of urbanization.

Some scientists have established that there is a positive correlation between urbanization and some of the indicators of economic development. But there are no studies on urbanization as an economic process with both positive and negative effects. Because of this, proper urbanization should be used as a powerful tool for creating employment and livelihoods. Urbanization also is mainly viewed as a problem, but it can also be a powerful tool for development. Higher population density associated with urbanization provides an opportunity for governments to deliver basic services such as water and sanitation more cost-effectively to greater numbers of people. Higher population density may also be good for minimizing the effect of humans on local ecosystems.

Therefore, it is necessary to understand the real essence of urbanization as an economic process for better control, influence and using it as a powerful driver of economic development.