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Urbanization in Sub-Saharan Africa

Meeting Challenges by Bridging Stakeholders

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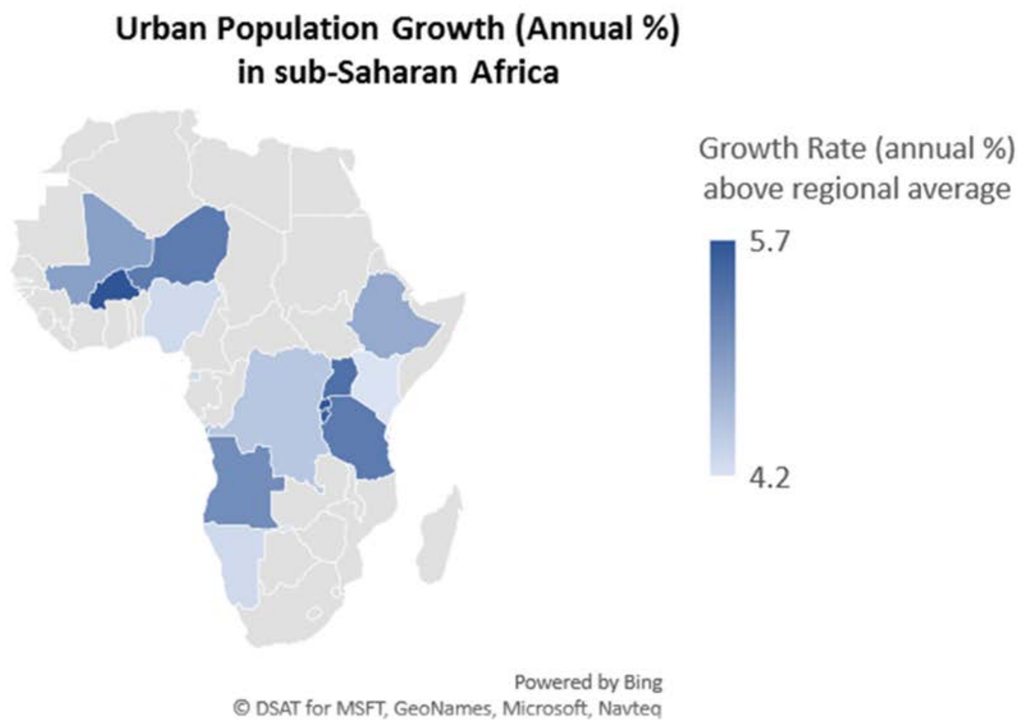
Urbanization is transforming the world. According to the 2017 *Drivers of Migration and Urbanization in Africa* report by the United Nations, more than half of the global population now lives in urban areas. This figure is projected to increase to 75 percent by 2050, at a growing rate of 65 million urban dwellers annually. Sub-Saharan Africa (SSA) is often regarded as the world's fastest urbanizing region. Urban areas currently contain 472 million people, and will double over the next 25 years. The global share of African urban residents is projected to grow from 11.3 percent in 2010 to 20.2 percent by 2050. SSA's 143 cities generate a combined $0.5 trillion, totaling 50 percent of the region's gross domestic product (GDP). Urban centers play a critical role in fighting poverty and sustaining economic growth, and are often considered the future of prosperity in the developing world. While strategic urbanization is highly dependent on national macroeconomic policymaking, city governments, the private sector, development practitioners, and urban planners also have critical roles to play. Linking the urbanization management efforts of different stakeholders presents an opportunity for economic growth in a region undergoing an immense demographical shift.

The GDP of many SSA countries is concentrated, and even reliant, on the productivity of its urban centers. It is rare to transition from a low-income country (LIC) to a middle-income country (MIC) without first having to go through a process of urbanization. However, as it currently stands, many urban areas in SSA are ill-equipped to mitigate the impending risks associated with urbanization. Rapid population growth without improved infrastructure and services can cause negative repercussions in SSA, and may have already done so. The region continues to be plagued by negative per capita income growth, weak investment, and a decline in productivity. The countries that have tried to make public investments in these areas have consequentially increased their federal debt in doing so. While economic growth in SSA is projected to increase in 2018 and 2019, to 3.2 and 3.5 percent respectively, sustained, long-term growth is unlikely without structural reforms. Reviewing national policies as they relate to the inter-governmental system and building local capacity for managing urbanization are key components to sustained economic growth. Investing in the capacity of cities and local governments to deliver sufficient services and linking them to the national fiscal and regulatory system can contribute to better-targeted development initiatives. Decentralization is not the key here; rather, an improved collaboration between actors.

The 2014 UN report, *World Urbanization Prospects,* found that 90 percent of the global rural population still lives in the most underdeveloped parts of the world in Asia and Africa. Current estimates indicate that 3.4 billion people still live in rural areas. This number is believed to be at its peak, declining to 3.1 billion by 2050. In the next 30 years, urban dwellers will outweigh rural residents for the first time in Africa. This is already the case in some African countries; in Gabon, for example, urban residents represent 87 percent of the total population. In 2015, SSA included thousands of urban centers, of which two mega-cities had over 10 million inhabitants; three cities had between 5 and 10 million; and another 41 cities had populations between 1 and 5 million. SSA is experiencing an annual urban population growth rate of 4.1 percent, compared with a global rate of 2.0 percent. As seen in the figure below, there are already 14 countries on the continent with urban growth rates exceeding this.



Source: World Bank 2017 indicators: "Sub-Saharan Africa"; "Urban Population Growth Rate."

Urbanization Challenges

Domestic Resources and Workforce Development

According to the United Nations, 470 million jobs will be needed to accommodate the global labor market between 2016 and 2030, a majority of which will be in the developing world. Yet, 30 to 45 percent of the global working-age population is underutilized (inactive or underemployed) and approximately 75 million youth are unemployed. Inadequate services and limited access to financial capital often drive citizens to migrate from rural areas to urban centers in search of work. Young people are particularly attracted to urban areas because they have easier access to modern-day technology, productivity, entrepreneurship, and modernization. Approximately three-quarters of existing employment opportunities in the developing world is considered informal, and SSA is no exception. Urban workers are costlier than their rural counterparts. Urban workers must spend more of their income on housing, transportation, and food, and these cost-of-living expenses become the responsibility of employers. This disincentives companies to make merit-based hiring decisions, and instead provides jobs based on a cost-benefit ratio. A high percentage of the working-age population engaged in illicit and informal work prevents developing countries from achieving formal economic growth—linked to an inability to collect taxes and other necessary domestic resources required for reinvestment. Without domestic resources, prospects for future government-funded urbanization projects diminish. Cities must become incubators of formal economic and employment growth to combat this growing challenge.

Efforts at increasing self-generated revenue in urban centers will not be successful without strides toward workforce development and labor market growth; however, this cannot be accomplished under a decentralized governance system. As we have witnessed in many urban areas across the globe, cities can make policy decisions that dramatically alter regulatory constraints, driving away emerging job opportunities. Technology—through companies such as Uber, Airbnb, and others—is creating access to innovative and flexible jobs through new platforms in the sharing economy.[1] Partly fueled by emerging technologies, 40 percent of workers in the United States are contingent, working as independent contractors, part-time workers, or self-employed. In the developing world, many see the onset of the sharing economy as a golden ticket to economic prosperity and freedom. The appeal of taking a job with a company in the gig-economy such as Uber is often emphasized in developing countries with low formal employment and a wide wealth gap.

This is often the case in SSA, where many people experience high levels of inequality and isolation from the formal employment system from the onset of their working-age years. Policymakers seeking increased domestic resource mobilization (DRM) often discourage this type of employment, citing the taxation disruptions caused by startup companies. Pressured by local authorities, companies have adjusted to meet these concerns, along with allegations of being unsafe and competing with traditional companies in similar industries—such as taxis or hotels. In South Africa, for instance, Uber drivers must now be licensed to operate. The call for amended regulations came in 2015 when local traffic officials in Cape Town discovered that 200 Uber cars in the city did not have properly monitored taxi permits. In collaboration with their Cape Town counterparts, federal South African officials are now amending a transportation law to include a provision for ride-sharing platforms such as Uber. This allows them to continue providing jobs with less bureaucracy and fewer obstacles than traditional companies, without going completely unchecked. Increased licensing procedures established in places such as South Africa will also inevitably improve tax-collection capabilities by governing bodies. Cities and local governments can control whether companies like Uber contribute to urban economic growth, or interfere with formal resource collection efforts. In either case, their collaboration is critical to urban growth.

[1] The sharing economy is defined as the economic system in which assets or services are shared between private individuals, either free or for a fee, typically by means of the internet. Oxford Dictionaries, "sharing economy," https://en.oxforddictionaries.com/definition/sharing_economy.

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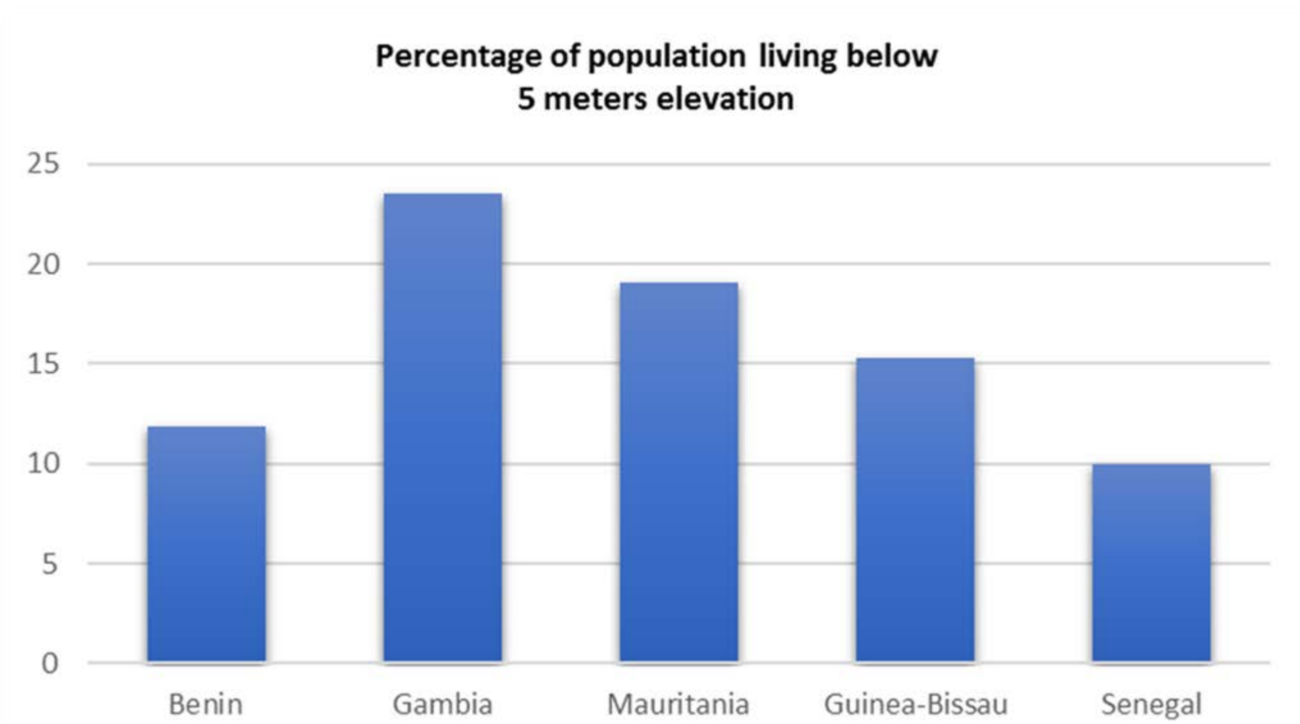
Disaster Risk in Urban Settlements

Urban centers lacking access to adequate infrastructure and basic services are more likely to be impacted by natural disasters. Basic services include safe drinking water, proper sanitation and drainage, and health care access. This is increasingly pertinent as it relates to the threats that arise from, or are exacerbated by, the impacts of climate change. Cities are increasingly exposed to both water scarcity and intense flooding due to extreme changes in weather patterns across the globe. In coastal areas, cities must consider the impact of rising sea levels as well. The World Bank's 2013 Open Data for Resilience Initiative suggests that by 2050, the urban population exposed to cyclones will increase from 310 million to 680 million. In Dakar, the World Bank estimates the value of "flood-vulnerable" assets at around €40 billion, double Senegal's GDP. There are other coastal countries in SSA whose cities are deemed high impact risk from climate variability. The chart below indicates the countries that have a significant percentage of their population residing in elevation below 5 meters.



Source: World Bank 2010 indicators: "percentage of population living below 5 meters"; "Sub-Saharan Africa."

Subsets of urban centers across the developing world deemed "development deficit" are at increased risk of disaster impact. These areas, also referred to as informal settlements or "slums," are often reliant on nonexistent or incompetent risk-reduction services. Incompetent governing bodies or a general failure to incorporate disaster risk reduction into urban planning or land-use policy is to blame for this. As of 2014, 55 percent of the SSA urban population were living in slums. With current trends, the growth rate of these areas substantially exceeds attempts at "urban upgrading" government investment of basic needs of these communities. Cities and municipalities cannot properly manage urbanization or disaster risk without first containing the expansion of these settlements. Pikine Irrégulier Sud is a low-income informal settlement of 240,000 inhabitants living in

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extreme poverty and unsanitary conditions in Dakar, Senegal. This neighborhood consists of roughly 10 percent of the city's population. Rising sea levels pose a severe threat for Dakar, but the risks to this area are exacerbated by its underserved infrastructure and lacking resilient resources.

Many governments in Africa, in collaboration with international financial institutions, have made strides toward implementing projects to address flooding risks and associated consequences in urban areas, particularly in informal settlements. In 2012, the Senegalese government instituted the Ten-Year Flood Management Plan (PDGI), which aims to establish proper storm-water drainage and wastewater treatment systems, build capacity in the National Sanitation Office (ONSO), and institute a resettlement plan for high-risk residents. In addition to this, the government established a ministerial department for the restructuring and future planning of flood risk areas. The World Bank, continuing these efforts, established the Storm-water Management and Climate Change Adaptation Project (PROGEP) in 2013 to improve drainage and flood prevention systems in Dakar.

Urban Planning: The Missing Link in City Resilience

A widespread belief of the development community is that a well-planned urban center is one that can anticipate and withstand natural disasters. Several years ago, inadequate urban planning was identified as a risk factor in the developing world. When rapid urbanization is poorly planned and occurs in the context of existing widespread poverty, developing countries increase their risk and deplete their resilience. Proper urban planning can be a valuable source of achieving sustainable economic growth. City planners can advise policymakers on balancing investments in services and infrastructure with growing demand and threats of exposure. They can offer a specialized assessment of smart land-use reforms based on density changes in a city-specific context. Under the duress of existing financial constraints, efforts to control the consequences of urbanization are often mismanaged, and rarely incorporate urban planning expertise. Their involvement, from the initial design of a project to the regulatory laws and maintenance procedures, is critical to withstanding urbanization risks. Further, there are very few institutions that support training in urban or city planning in the developing world, depleting future sources of expertise. Thus, capacity strengthening and training for local city planners is a critical tool.

Urban sprawl[2] is one area that, if left unchecked, can have damaging implications for global development. In 2010, the total footprint of the world's urban areas was 1 million square kilometers. This is projected to increase to 3 million square kilometers by 2050. One of the most notable issues with urban sprawl is the rapid food shortages that follow. As cities grow, stakeholders tend to focus only on the "urban core" of impacted cities, often failing to acknowledge the expansion into surrounding farmland that happens to be some of the world's most valuable food sources. In the United States, urban sprawl costs the economy $1 trillion per year, or 5.4 percent of GDP. Its rapid expansion can be pinpointed to the 2008 financial crisis when oil prices skyrocketed. In this case, employees who had to travel to work could no longer afford to do so, and cities responded by building more roads to suburbanize surrounding areas. The developing world, which hosts most of the world's urban population growth, is impacted immensely by urban sprawl.

[2] Urban Sprawl is defined as the rapid expansion of the geographic extent of cities and towns into surrounding farmland. *Encyclopedia Britannica*, accessed on March 28, 2018

The metropolitan area of Mexico City hosts roughly 21 million people, making it the city most impacted by urban sprawl in the Western Hemisphere. It also hosts one of the largest slums in the world, Neza-Chalco-Itza, which has an estimated population of 4 million people. The effects of urbanization on Mexico City are felt every day, yet efforts toward management have been successful. The Institute for Transportation and Development Policy (ITDP) is a collaboration of urban planners, architects, transport experts, and development financers. This organization has worked with the government of Mexico City to institute several programs aiming to mitigate the consequences of urbanization. A seemingly impossible feat in one of the largest urban centers in the world, the ITDP has established the first public bike-share program, a rapid Metrobus transit system, and parking reforms that became a framework for other metropolises. Their parking study, *Less Parking, More City*, found that between 2009–2013 more than 250,000 parking spaces were constructed, costing MXP 37,000. That same amount of money could have financed 18 new rapid-transit bus lines to move more than 3 million people every day, allowing an increase in productivity and accessibility to jobs.

The work done by ITDP shows that trained city planners, when working in conjunction with local governments and other actors, can manage the ramifications of urban expansion in a strategic and innocuous way. The case study of Mexico City is an important example of how cities can change transportation methods to make living and working in urban centers easier, despite overwhelming population growth. Many times, urban residents move to surrounding areas in search of less congestion and better services. However, a mass influx of residents to surrounding areas simply widens the metropolitan perimeter. Steps should be taken to control the standard of living within the urban core of cities undergoing massive demographic changes. Urban planners have a defining role to play in this. As evidenced, their contributions to city mapping and landscaping can prevent a wealth of much more intricate issues down the road. This is a framework that can and should be used for SSA's largest and most rapidly urbanizing cities. In Africa, most urban slum-dwellers already live on the outskirts of major cities, not inside the urban core. This population is expected to triple in the next three decades, leaving an already famine-ridden continent in grave danger.

City officials must be given more autonomy to control urbanization efforts unique to their cities, and urban planners must be integrated in the planning process. An emphasized prioritization on strengthening local institutions will make SSA cities both competitive and sustainable amid immense changes. However, in doing so, developing countries must not isolate other important actors. The central government and its private-sector counterparts can help drive the reform conceptualized by urban planners. Many cities will continue to rely on the central government for resources and assistance regarding taxation and regulations. Total decentralization puts developing countries at risk of political divide, as cities have established opposition strongholds in many SSA countries. In 2016, Ugandan President Yoweri Museveni undermined opposition-controlled Kampala to maintain control of a hotly contested election. In 2017, former Nairobi Governor Evans Kidero was accused by Kenyan President Uhuru Kenyatta of looting county funds to finance an opposition campaign. Some African leaders have used decentralization to weaken opposition by imposing new costs on the state. This includes building costs associated with establishing new assemblies and political meeting places.

Urbanization is one of the most important transformations that African countries will undergo in this century. Adequate solutions to this issue go beyond installing sufficient pipes and drainage systems in densely populated areas. The consequences of urbanization can be complex and intersect with other development policy issues such as climate change and migration. If managed properly, urbanization in SSA has the potential to propel growth, create jobs, and end widespread poverty. Without a holistic collaboration between actors, the influx of informal settlers will continue, as will their exposure to risks associated with unmanaged urbanization. With an additional 560 million people expected to move into SSA cities by 2040, this issue cannot be ignored.

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