Institutional dimensions of the Urban Development Crisis in Africa

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"One of the most widely held criticisms of urban policies in Africa is that they are inconsistent, haphazard, and not coherently articulated… Physical planners rarely work with economists. There are no ministries of urban affairs, and even well-defined problems such as housing and urban transportation run the gamut of intra-governmental negotiations before anything serious can be attempted. The division of function and jurisdiction between local and central government also leaves a great deal of room for manoeuvre, conflict, and overlap in urban policy."

- Richard Stren, 1972: 505

1. *Scope and prospects of Urbanisation in Africa*
2. *Key drivers*
3. *Solutions discourses*
4. *Recast and reconfigure: institutional implications*

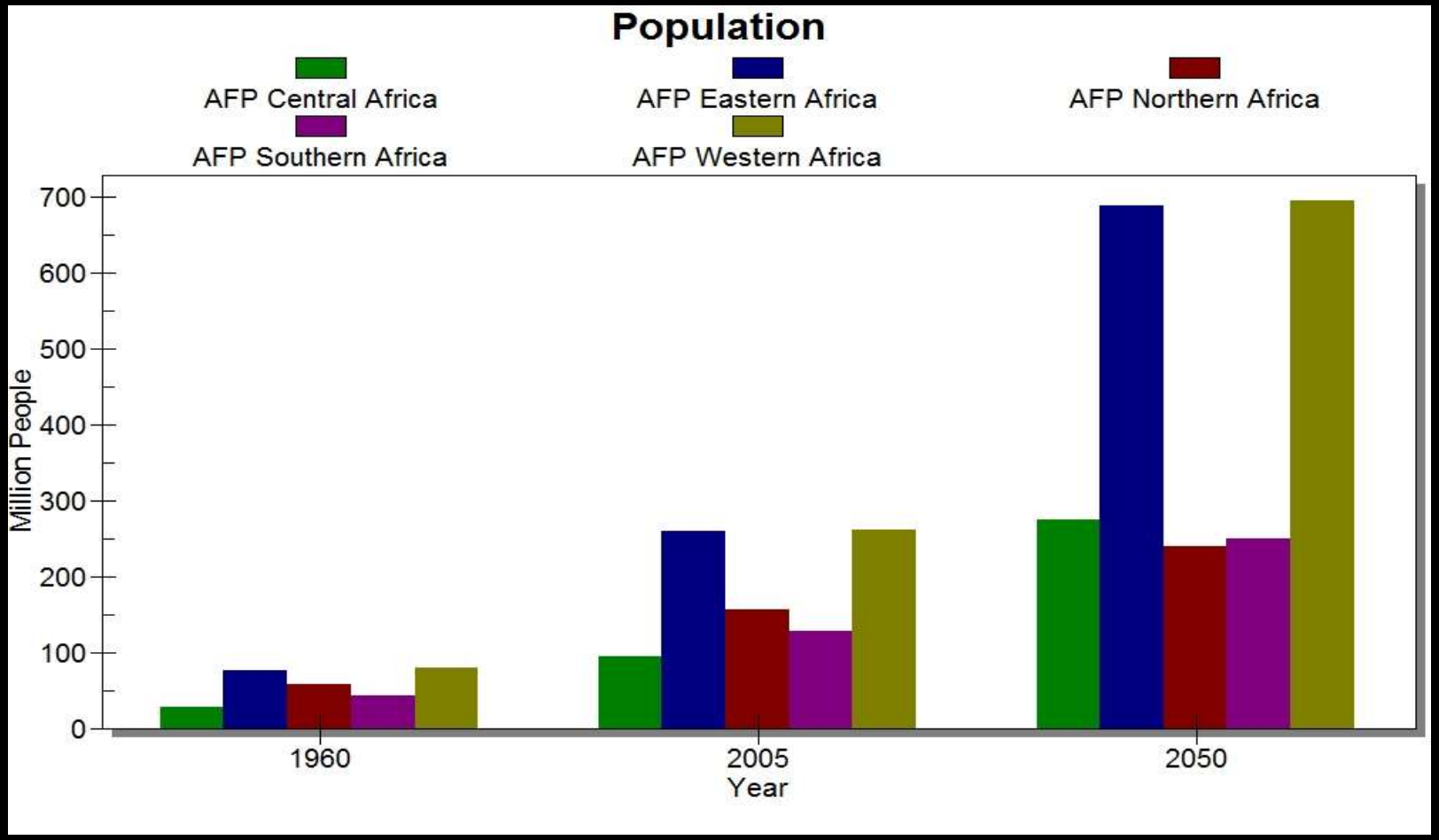
Urbanization 2050:
1.2 billion
61% of Pop

Urbanization 2030:
800 million
50% of Pop

Urbanization 2010:
380 million
39% of Pop

Urbanization 1990:
199 million
31% of Pop

Source: UN-Habitat, 2008



Source: Pardee Centre & Institute for Security Studies, 2011

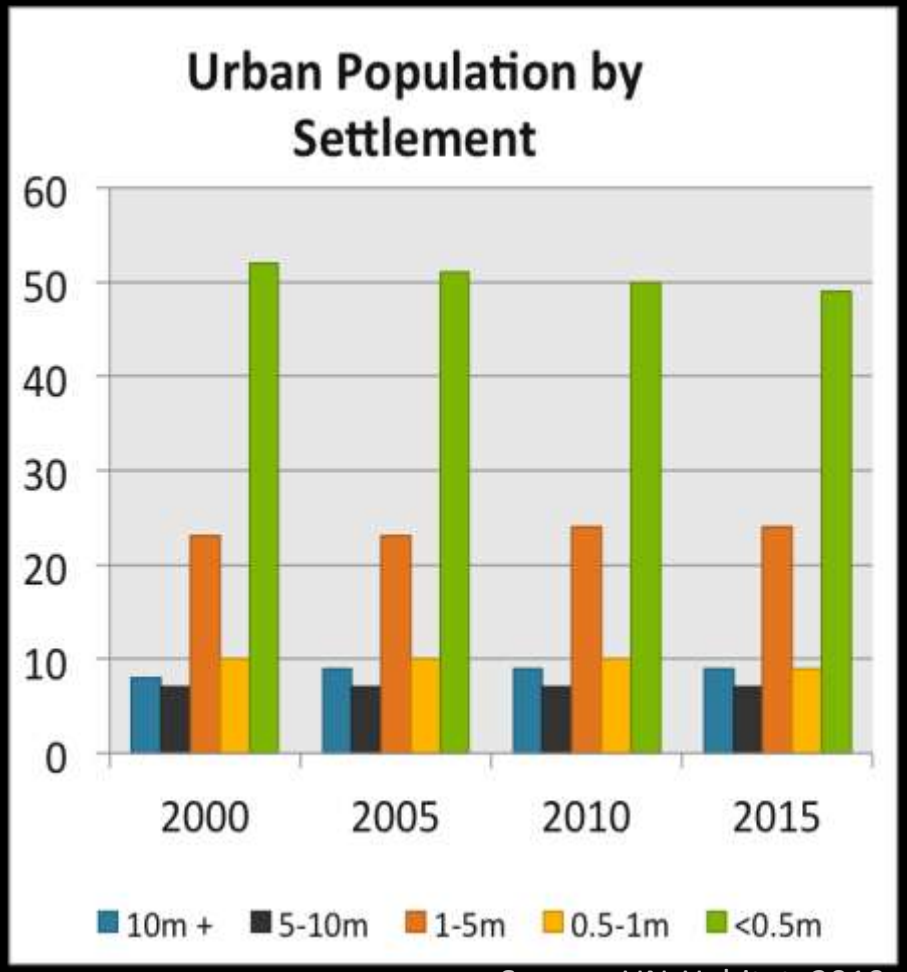
Regional African Trends

	% Urban, 2007	Ave Annual Urbanization rate 2005-10	Ave annual pop growth rate 2005-10
North Africa	50.92	2.40	2.40
West & Central Africa	41.75	4.02	4.03
East Africa	20.48	4.05	3.92
Southern Africa	45.60	2.56	1.47
Africa	38.70	3.31	3.31

Source: UN-Habitat (2008) *State of African Cities Report*. Nairobi: UN-Habitat.

Africa's Informal Urbanism

- Between 2000-2030, Africa's urban population will double: 294-742m
- Most of African urbanites live in settlements of less than 0.5m
- **Informality in terms of economy and settlement is the norm in African cities**

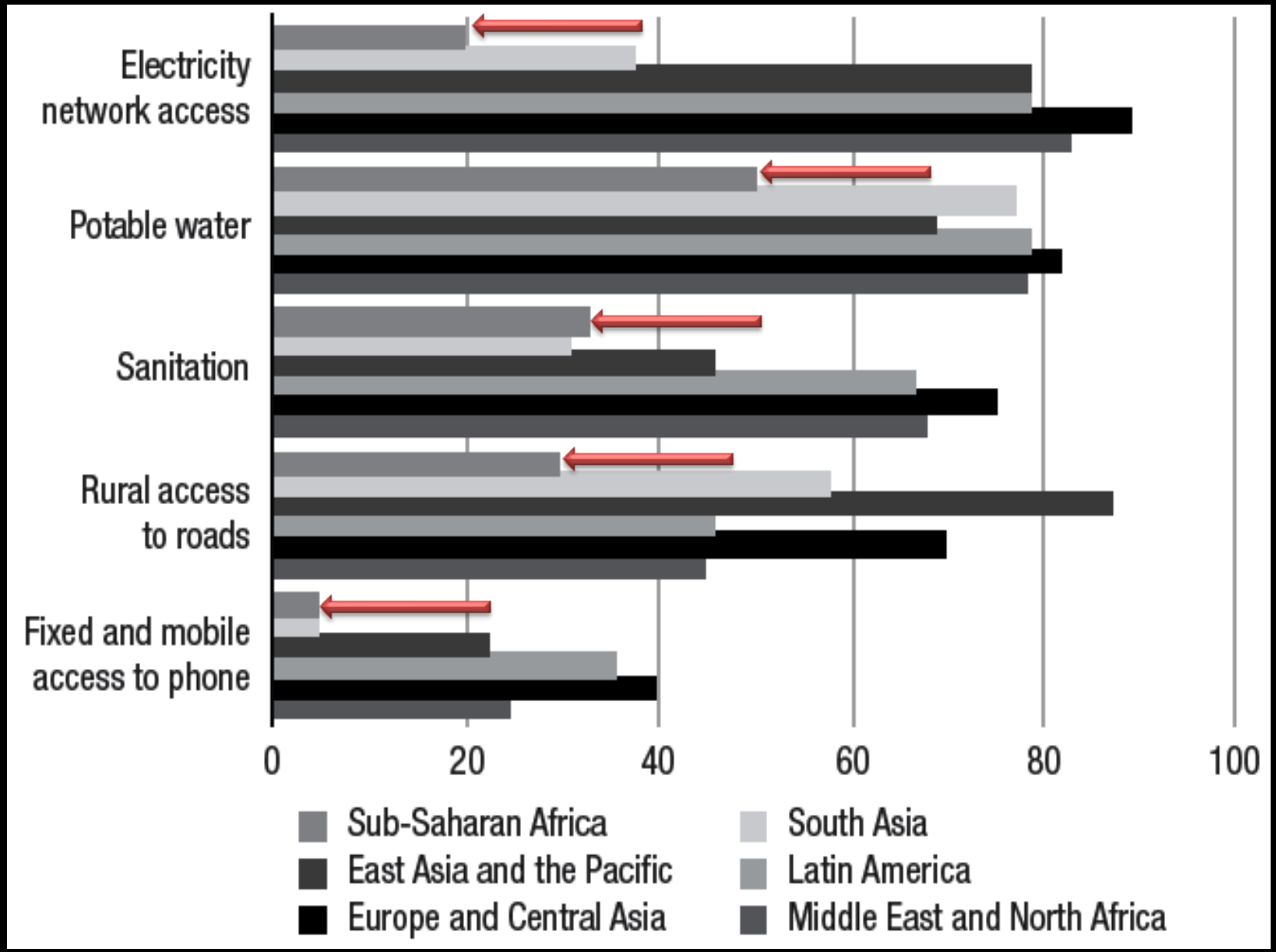


Source: UN-Habitat, 2010

Structural poverty, inequality & limited employment manifest in Slum Living as the norm

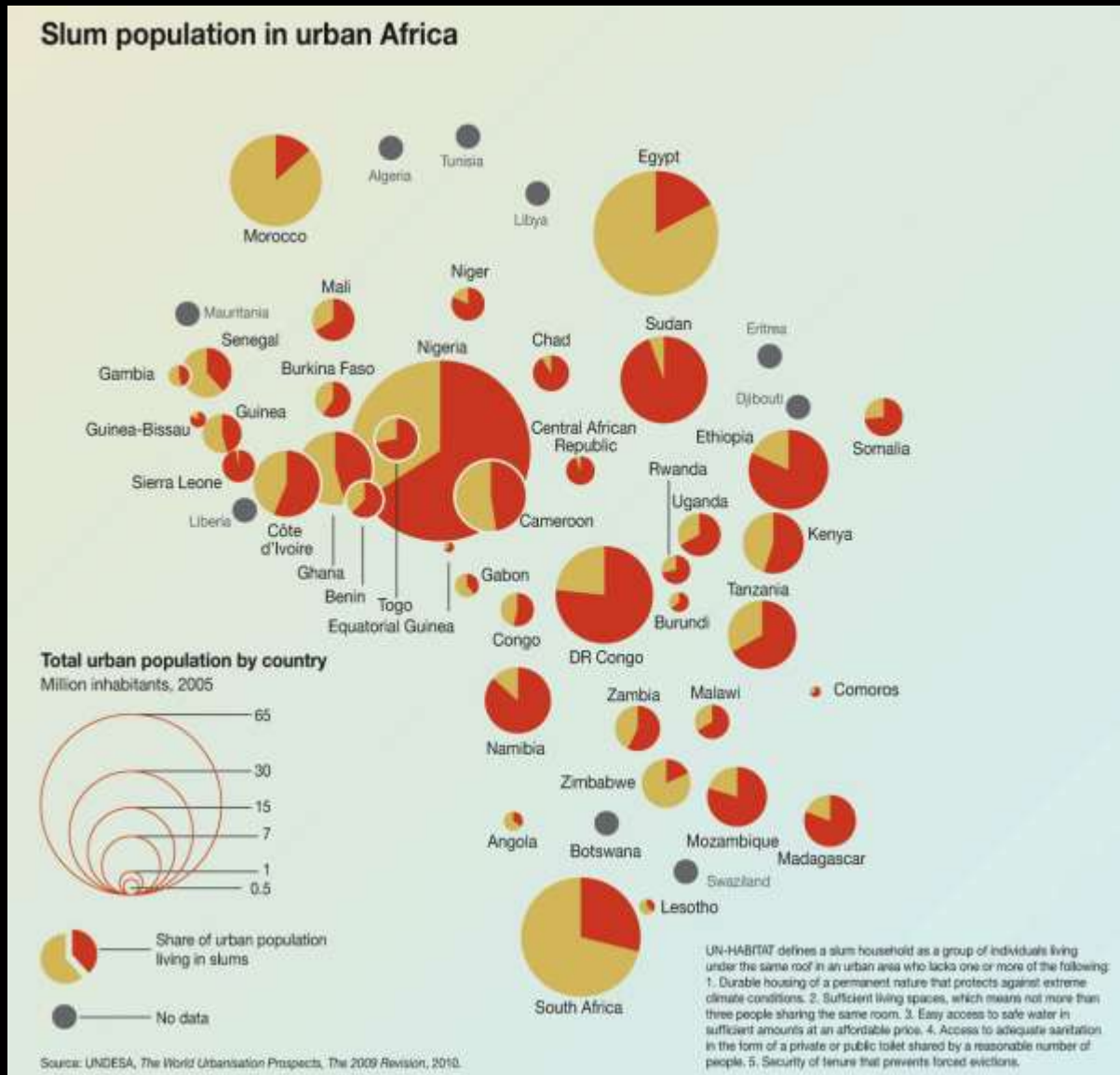
Region	% Slums	Moderated (1-2 deficiencies)	Severely (3-4 deficiencies)
Sub-Saharan Africa	62	63	37
LAC	27	82	8
Southern Asia	43	95	5

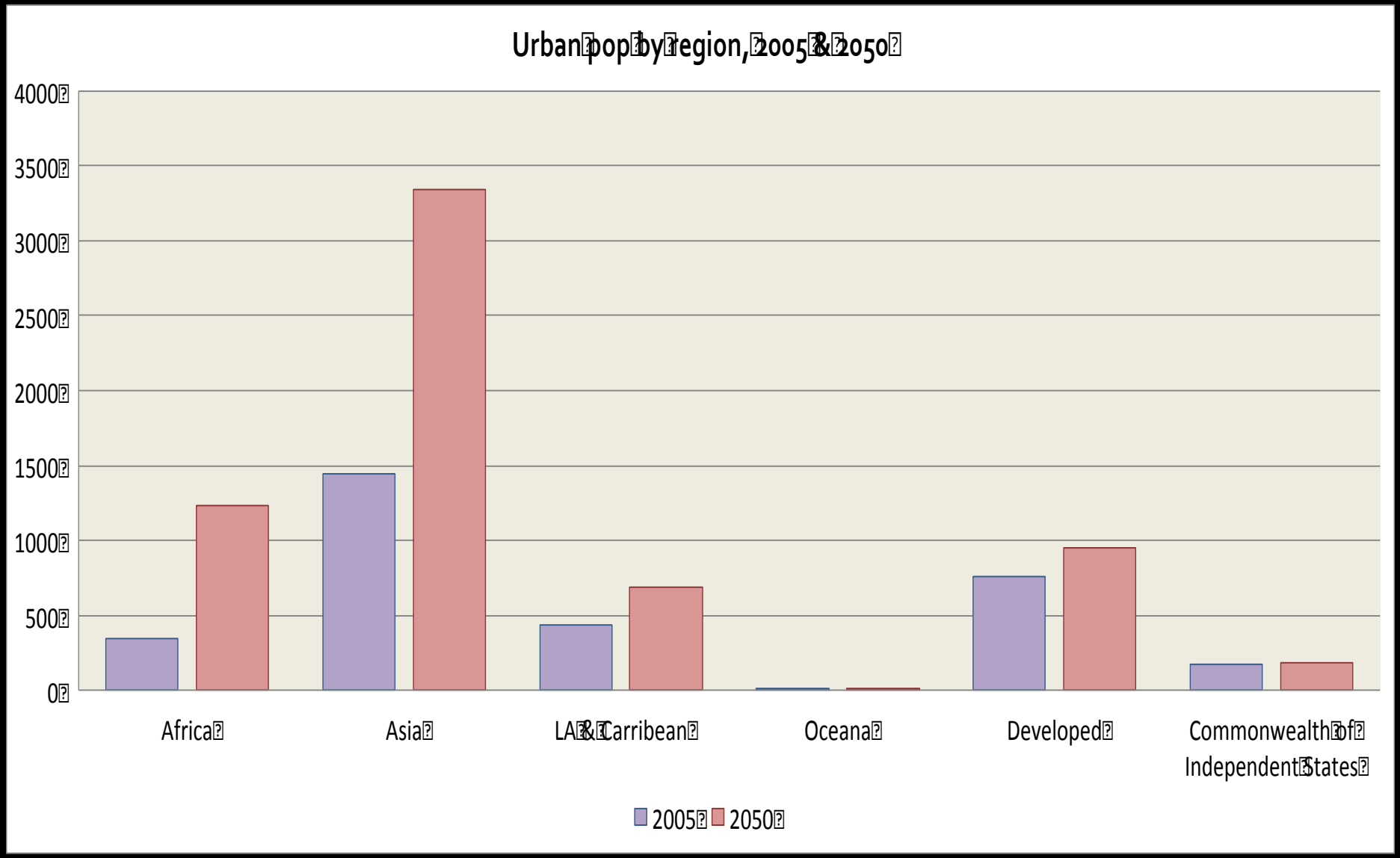
[1. overcrowding; 2. informal housing; 3. lack of access to water and sanitation; 4. insecure tenure]



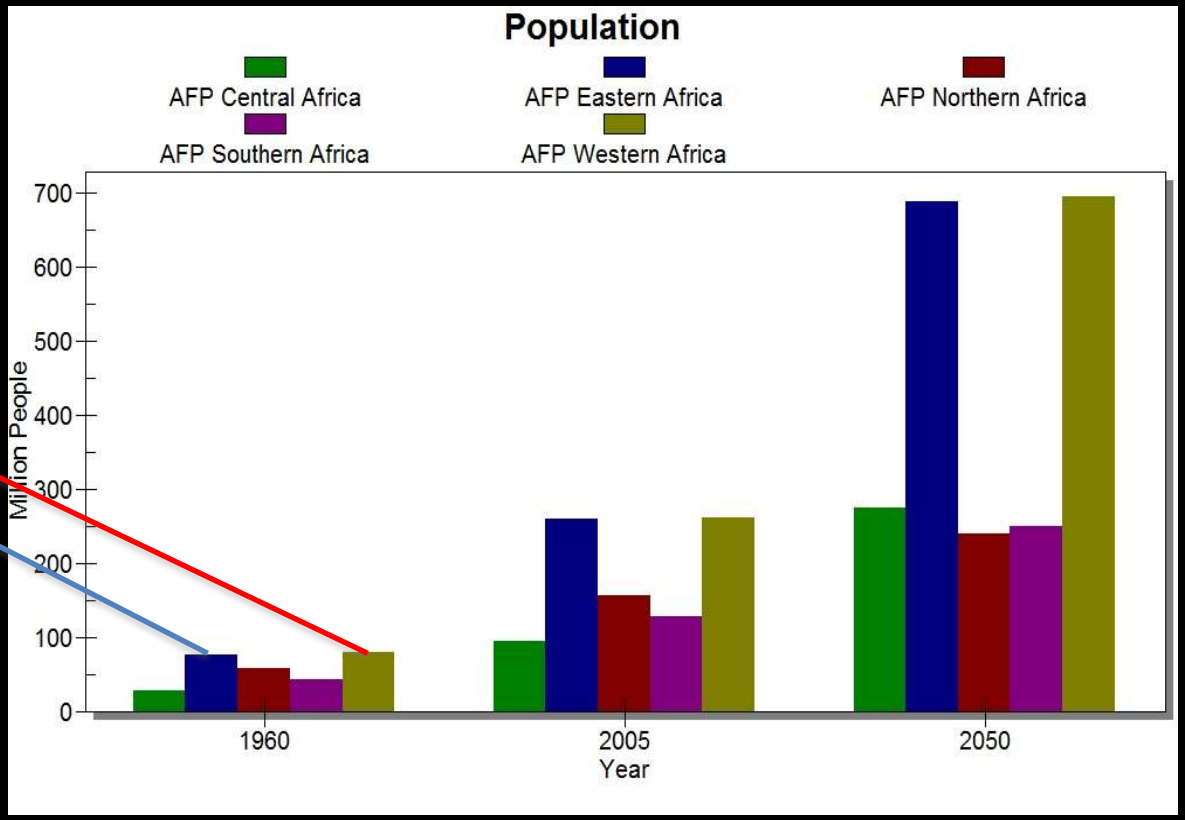
(Source: Ajulu & Motsamai 2008: 3)

Africa manifests the fastest rate of urbanization, yet it is the least prepared. The prospect for inclusive and resillient urbanism is bleak.



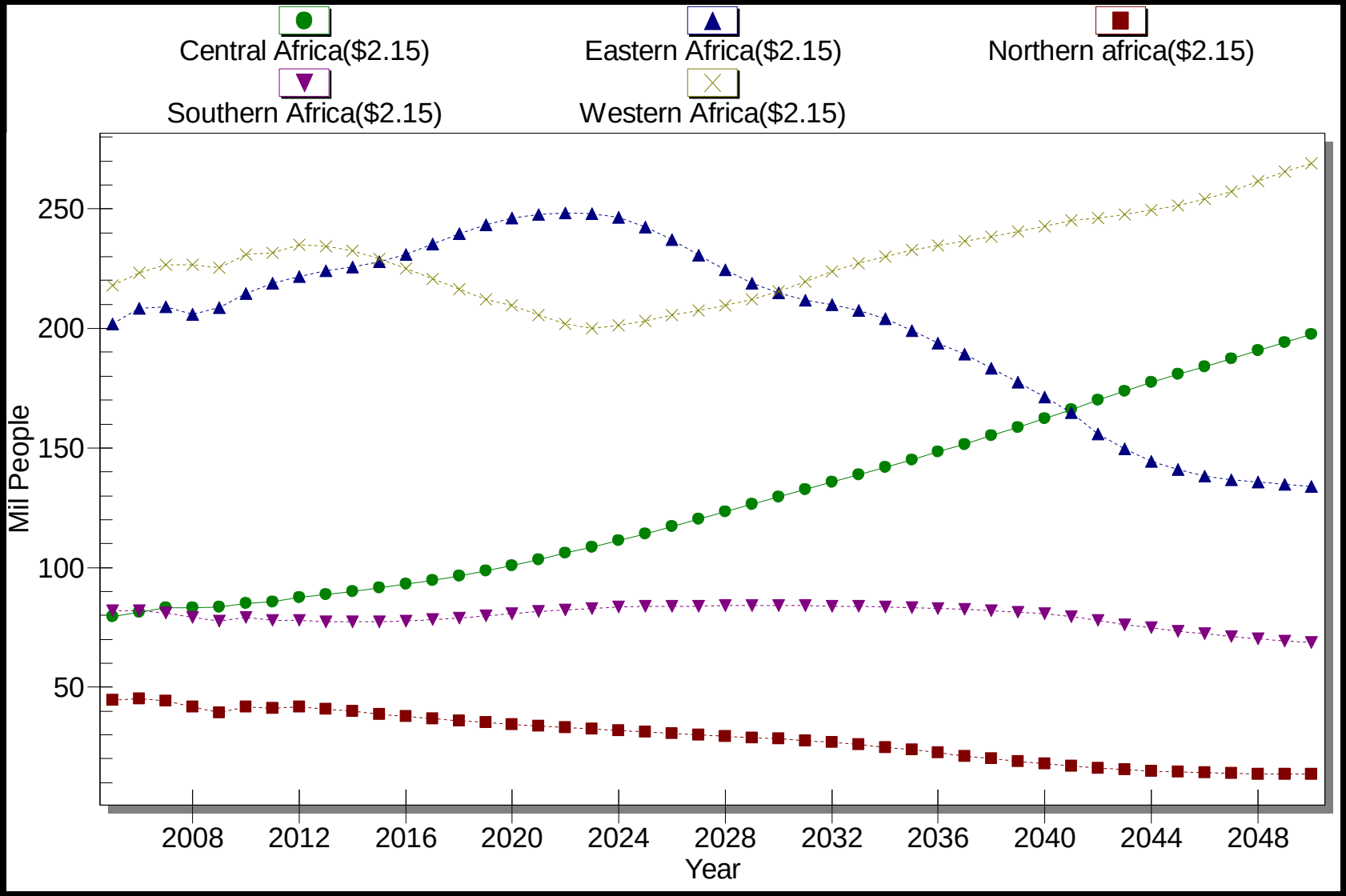


Source: UN-Habitat, 2008



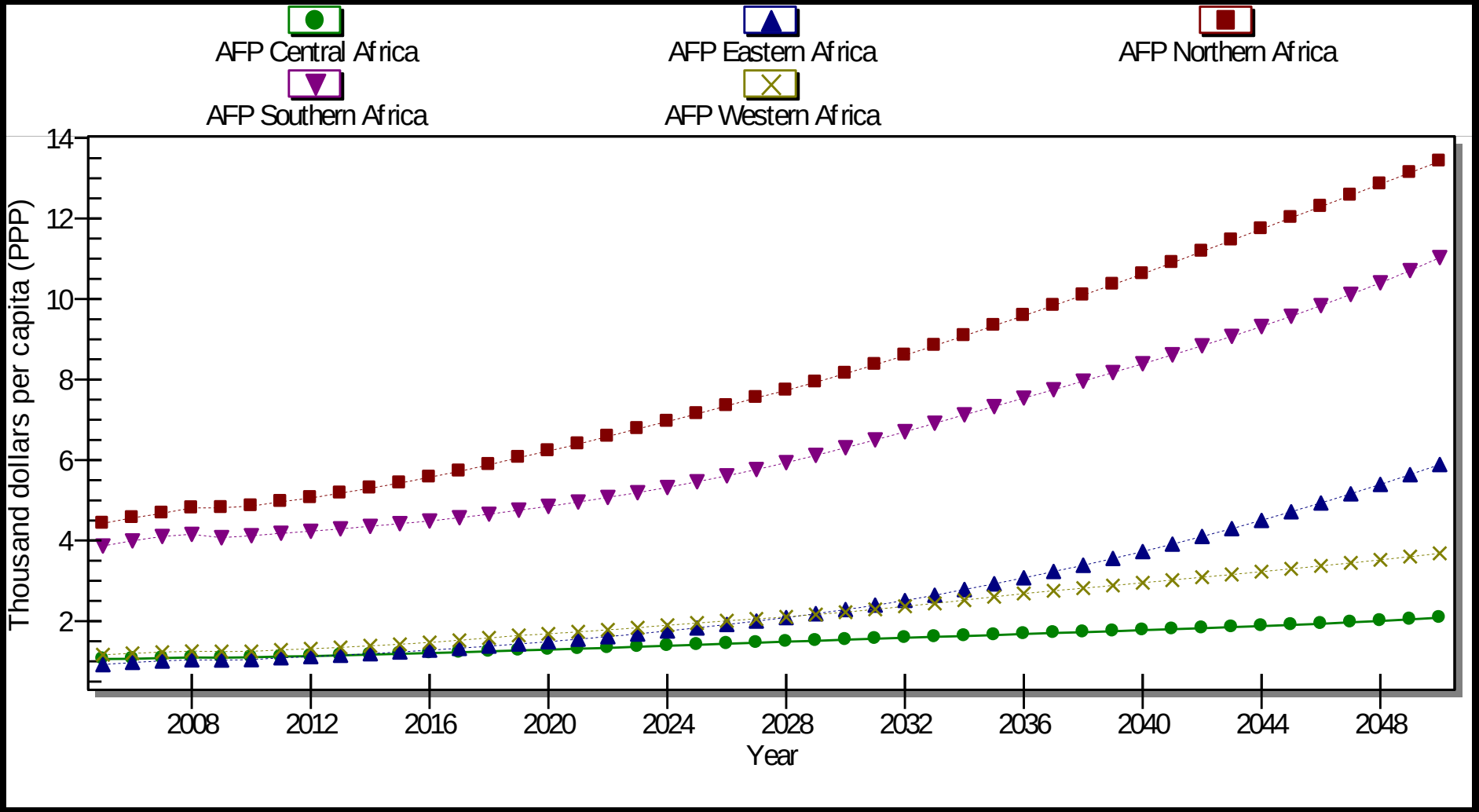
Source: Pardee Centre & Institute for Security Studies, 2011

African population below $2.15 per day, per region



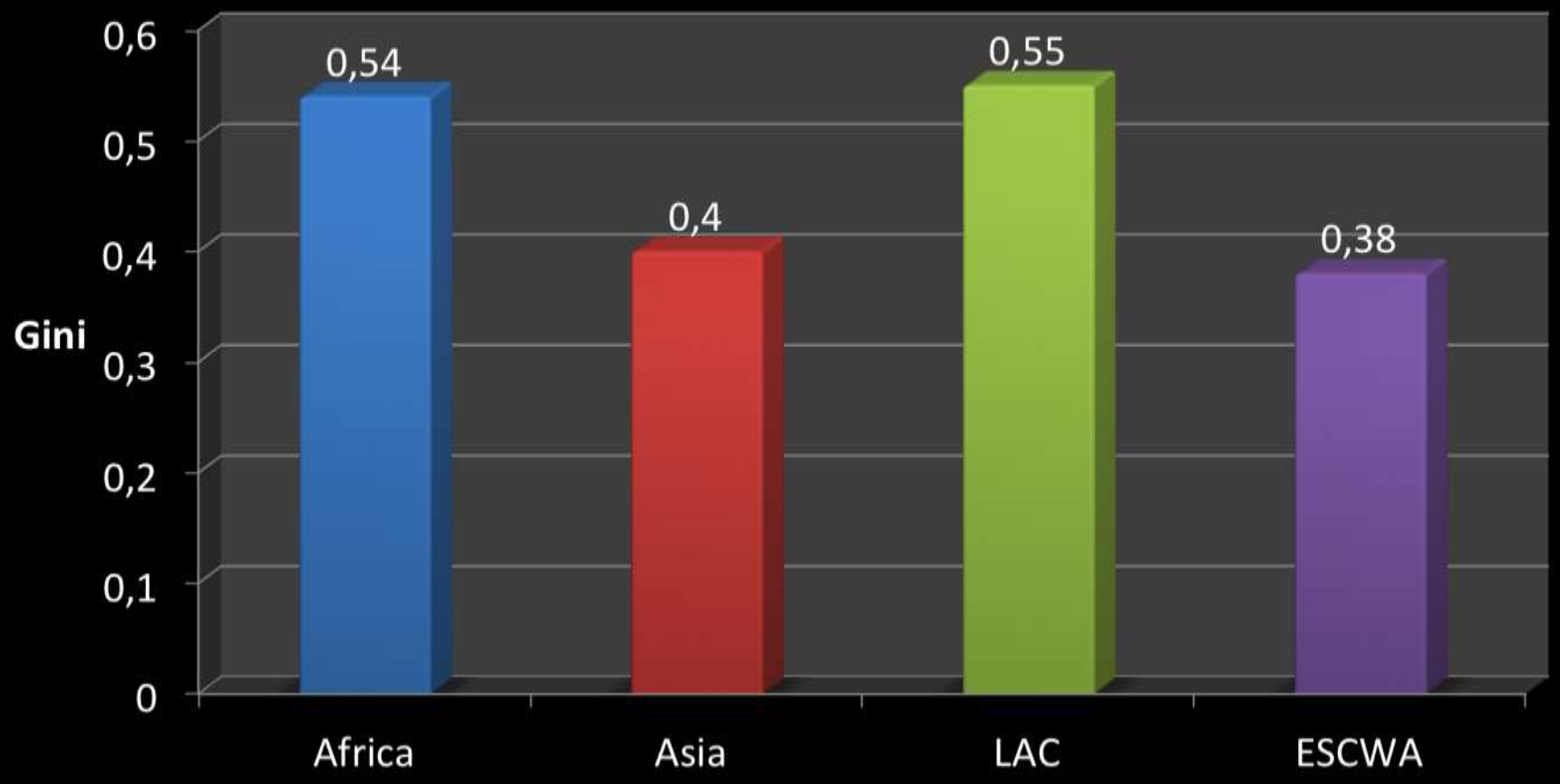
Source: Pardee Centre & Institute for Security Studies

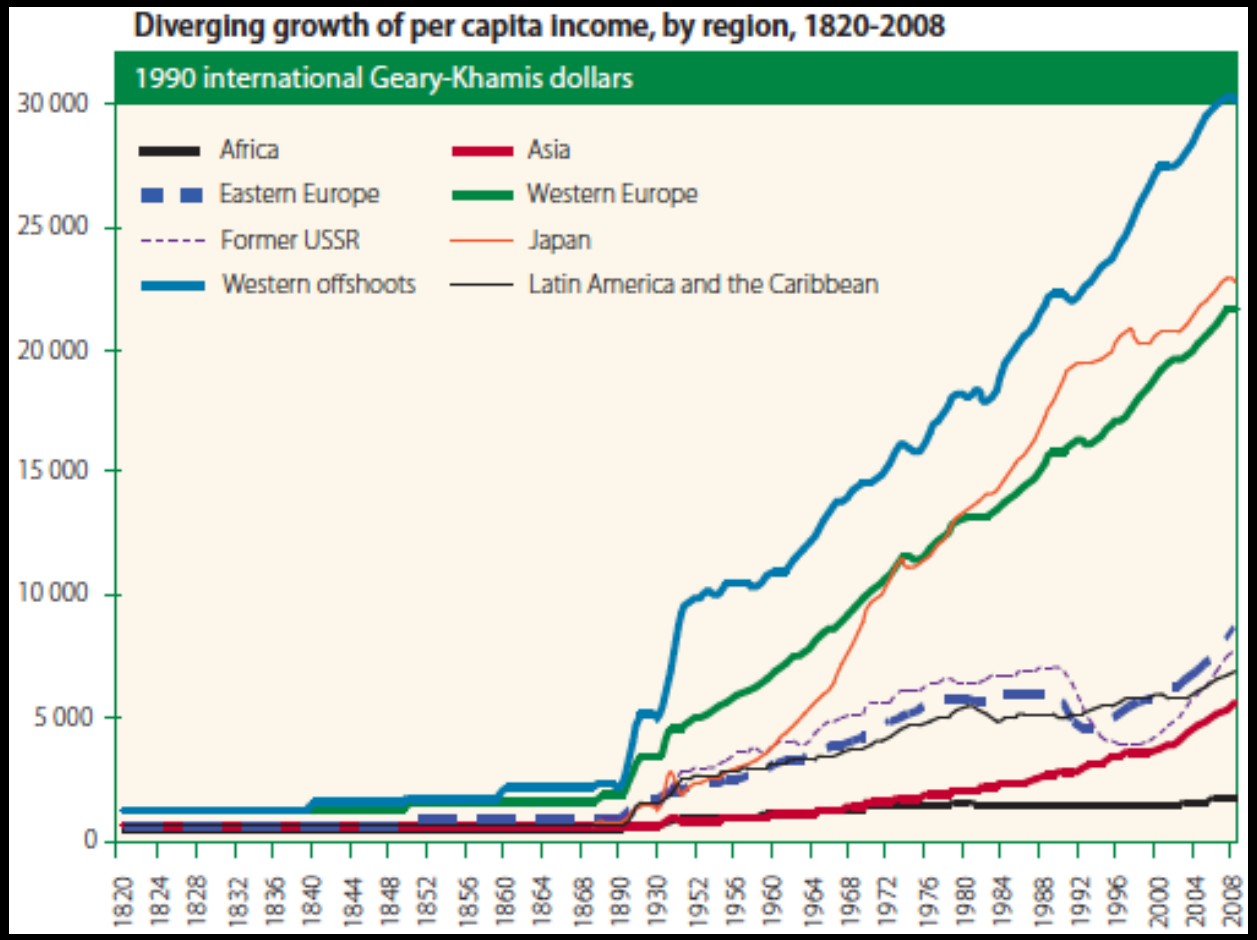
Africa GDP Per Capita income trends by region, 2005-2050



Source: Pardee Centre & Institute for Security Studies

Gini-coefficient for Development Regions, 2008



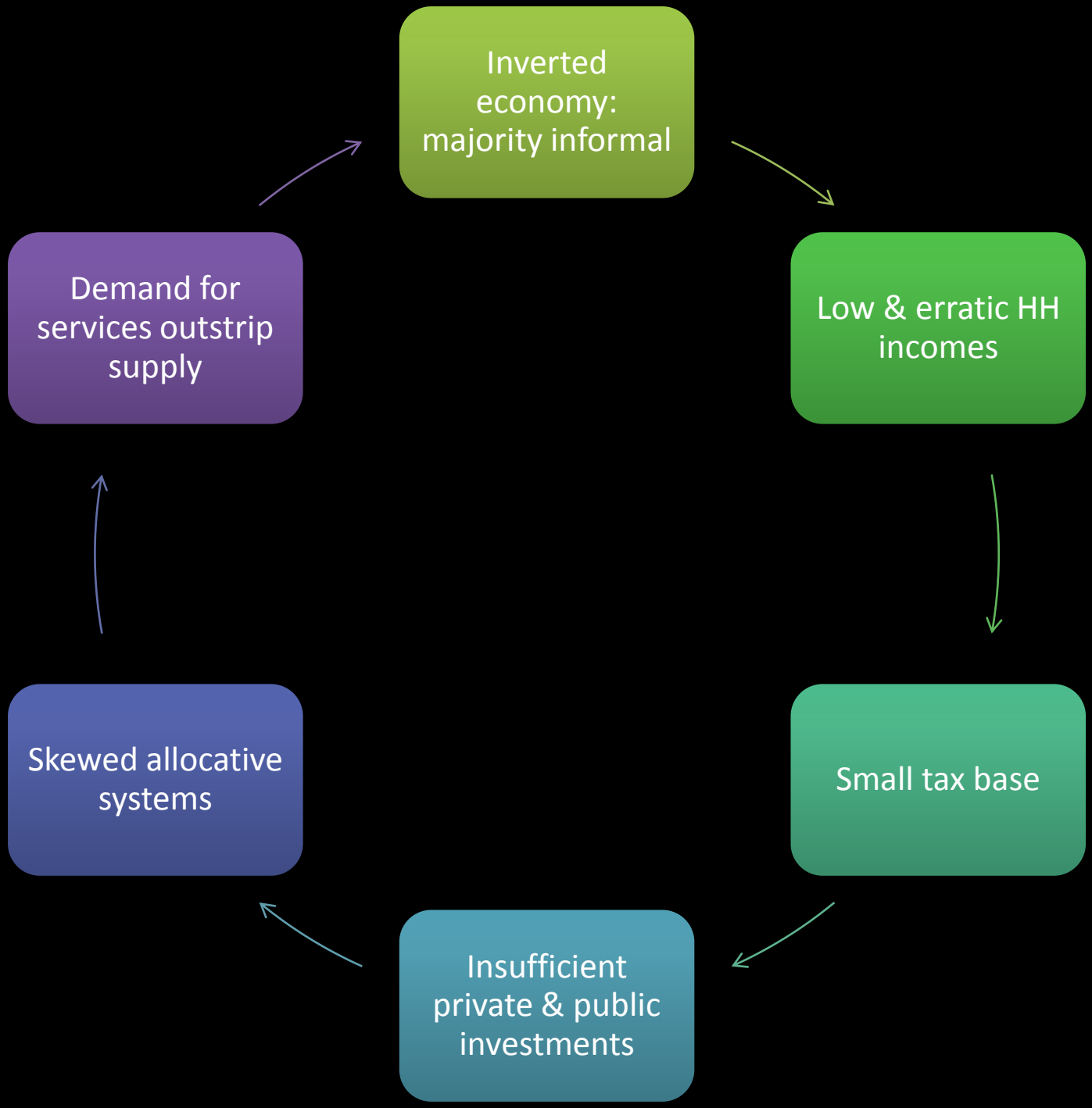


Source: UN World Economic & Social Survey 2011

There is a profound policy vacuum to deal with Africa's Urban Transition…

STRUCTURAL OBSTACLES:

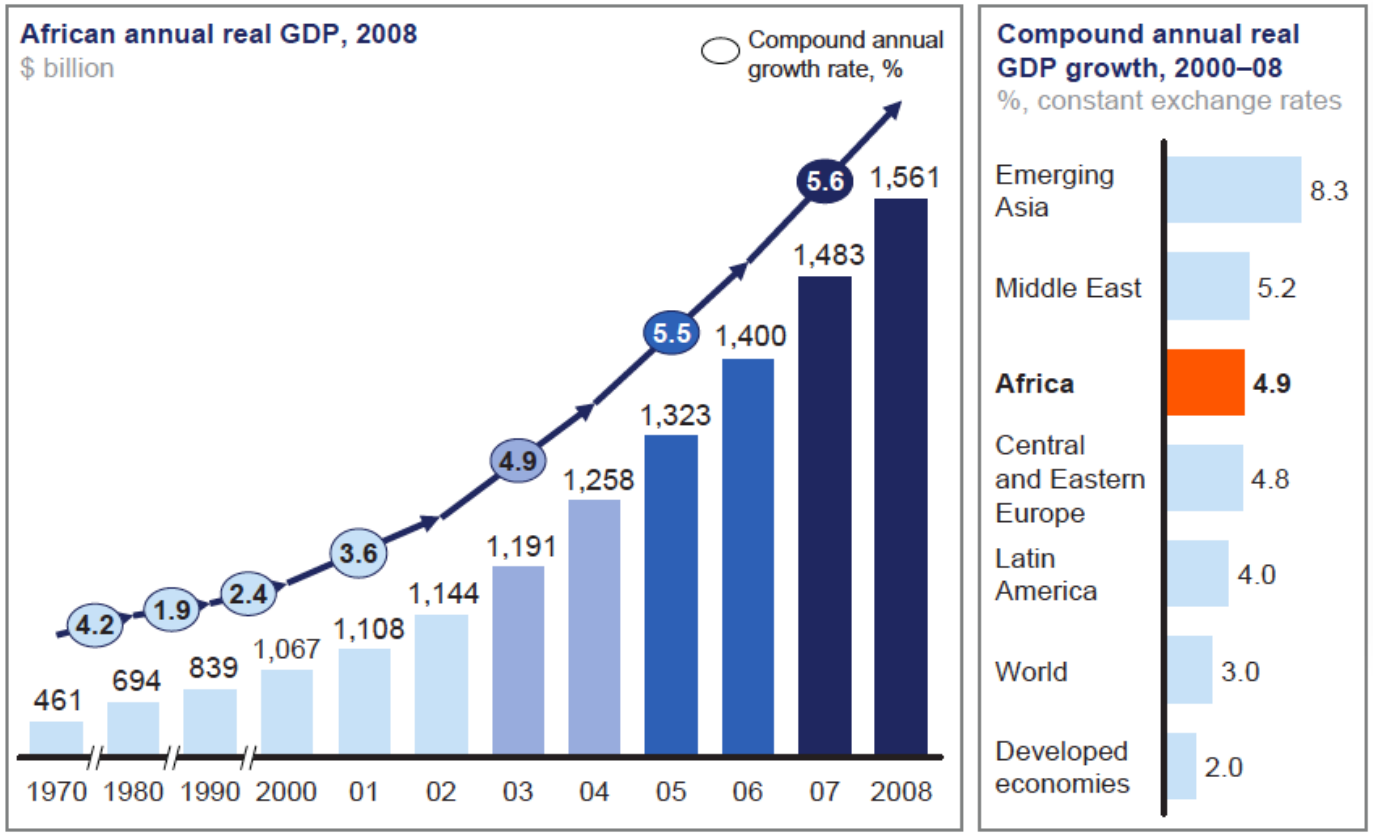
- Limited state understanding or appetite to address urbanization
- Regulations that penalize informality
- Discrimination re identity politics of affiliation
- Entering global markets with ltd leverage or unified positions
- Costs of large-scale dysfunction paid by voiceless slum dwellers
- Small & skewed formal economies—limited tax base


Inverted economy: majority informal
Low & erratic HH incomes
Small tax base
Insufficient private & public investments
Skewed allocative systems
Demand for services outstrip supply

There is a profound policy vacuum to deal with Africa's Urban Transition…

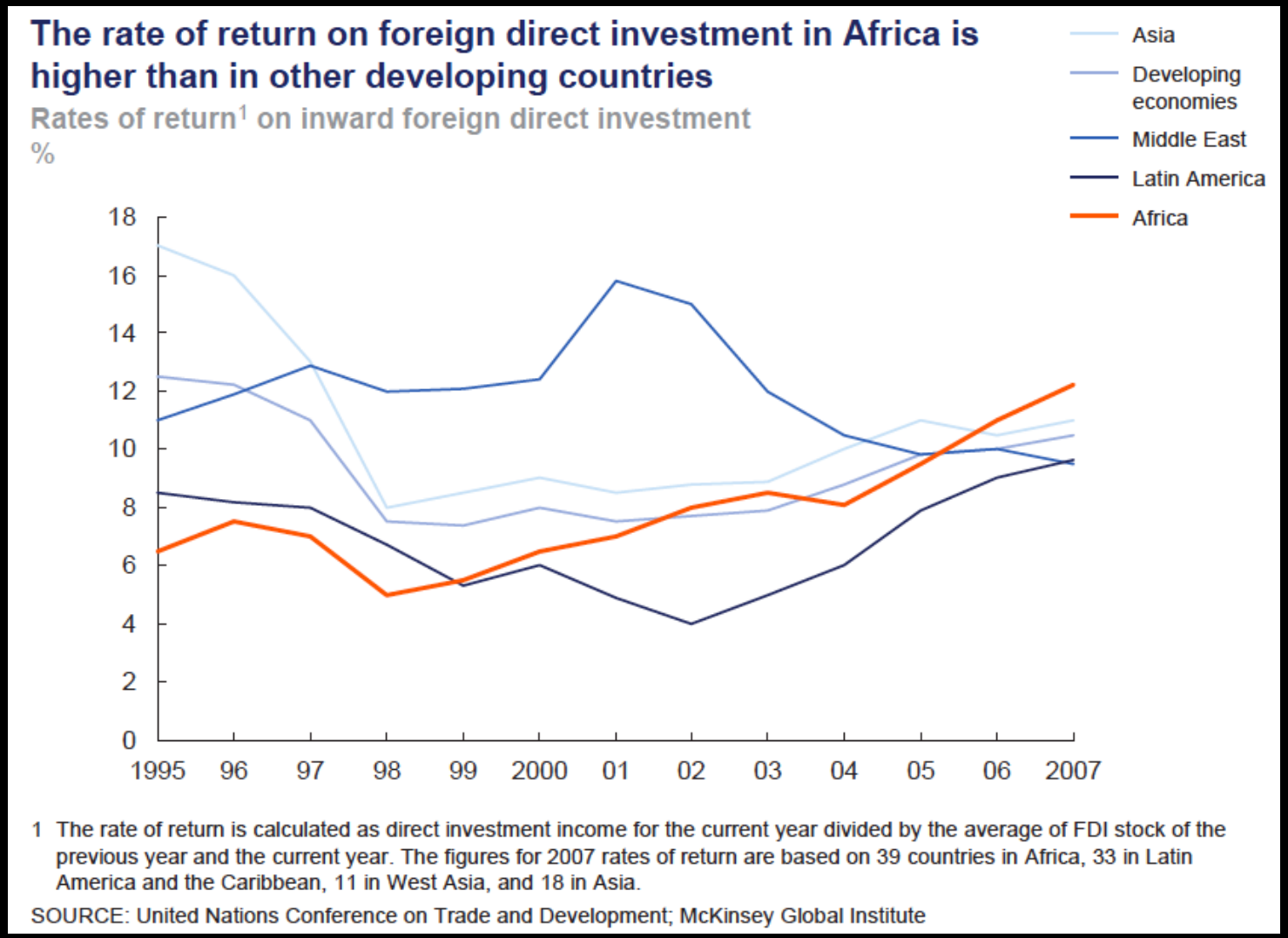
Global Private Sector think tanks are stepping into the breach…

Sustained economic growth over past decade

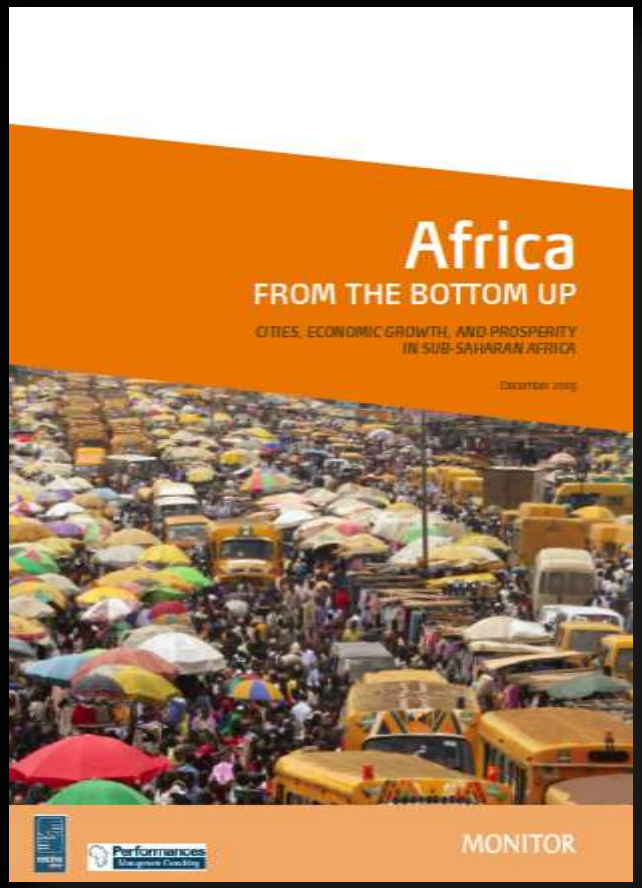


SOURCE: International Monetary Fund; World Bank World Development Indicators; McKinsey Global Institute

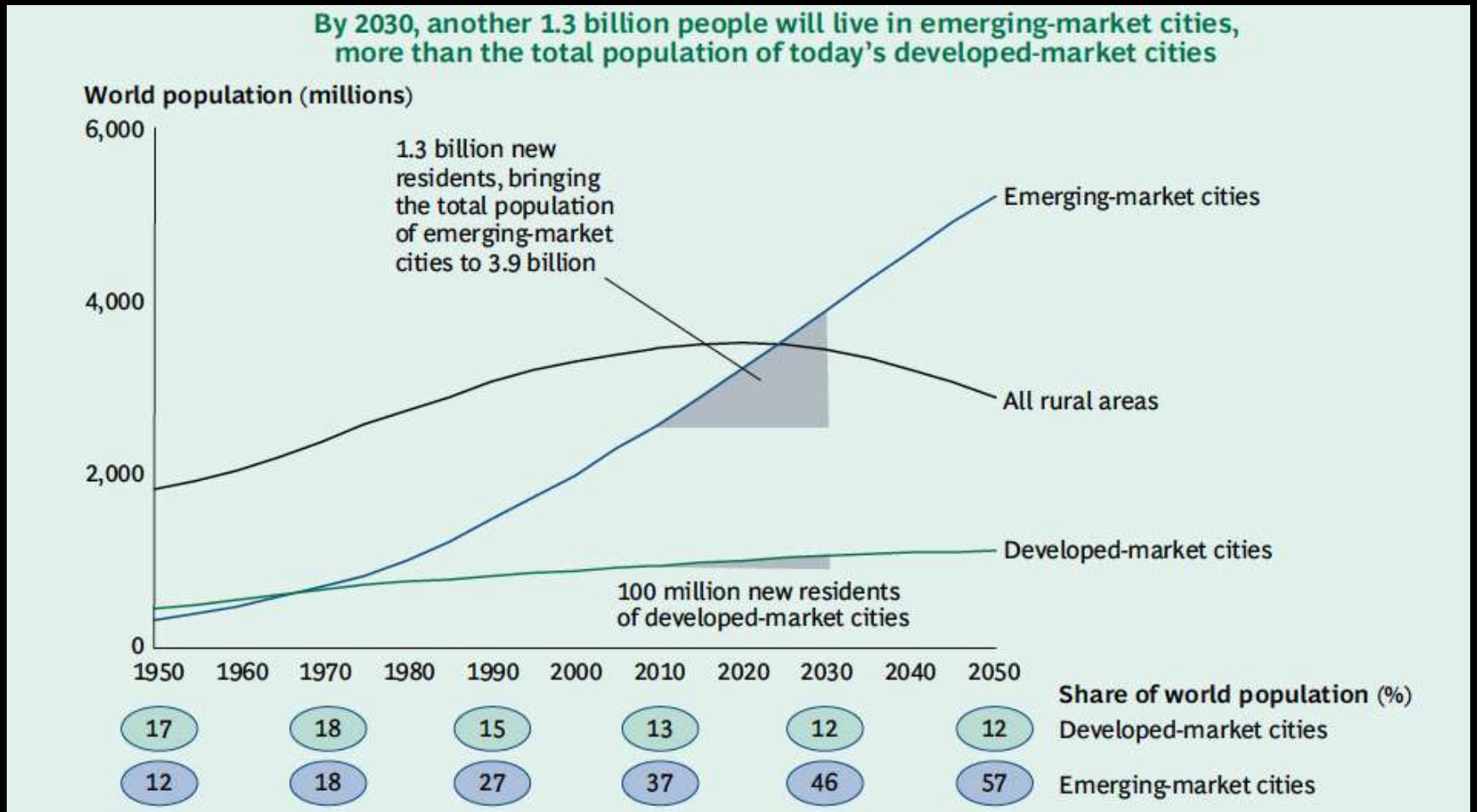
Not just robust growth but fantastic ROI



"This pattern of bottom-up development indicates that the economic future of SSA is more connected to the success of its cities, and the competitive clusters based there, than to its nation states. Cities today generate most of the subcontinent' wealth, with many thriving despite obvious challenges. *Rapid urbanization turbocharges economic growth and diversification, enhances productivity, increases employment opportunities, and improves standards of living.*"



Part of a larger search for virgin consumer markets: global middle-classes with disposable income



Sources: United Nations, *World Urbanization Prospects: The 2009 Revision;* Economist Intelligence Unit; Chan, K.W., "Fundamentals of China's Urbanization and Policy," *China Review* 10:1, 2010; Mitra, Arup and Mayumi Murayama, "Rural to Urban Migration: A District Level Analysis for India," IDE Discussion Paper No. 137, 2008; BCG analysis.

The resources to feed existing and new middle-class appetites depend on African logistical systems and infrastructure investment…

Sources: Economist Intelligence Unit; Brazilian Institute of Geography and Statistics (IBGE); Instituto Nacional de Estadistica y Geografía (INEGI); BCG China population and income forecast database, 2010; "The Great Indian Middle Class," National Council of Applied Economic Research (NCAER), 2004; BCG analysis.

[1]Middle-class households are those with annual income exceeding $5,000.

[2]Middle-class households are those with annual income exceeding $10,000.

Numbers (millions) and Share (%) of the Global Middle Class

	2009		2020		2030	
North America	338	18%	333	10%	322	7%
Europe	664	36%	703	22%	680	14%
Central & South America	181	10%	251	8%	313	6%
Asia Pacific	525	28%	1740	54%	3228	66%
SSA	32	2%	57	2%	107	2%
M-East & N-Africa	105	6%	165	5%	234	5%
World	1845	100%	3249	100%	4884	100%

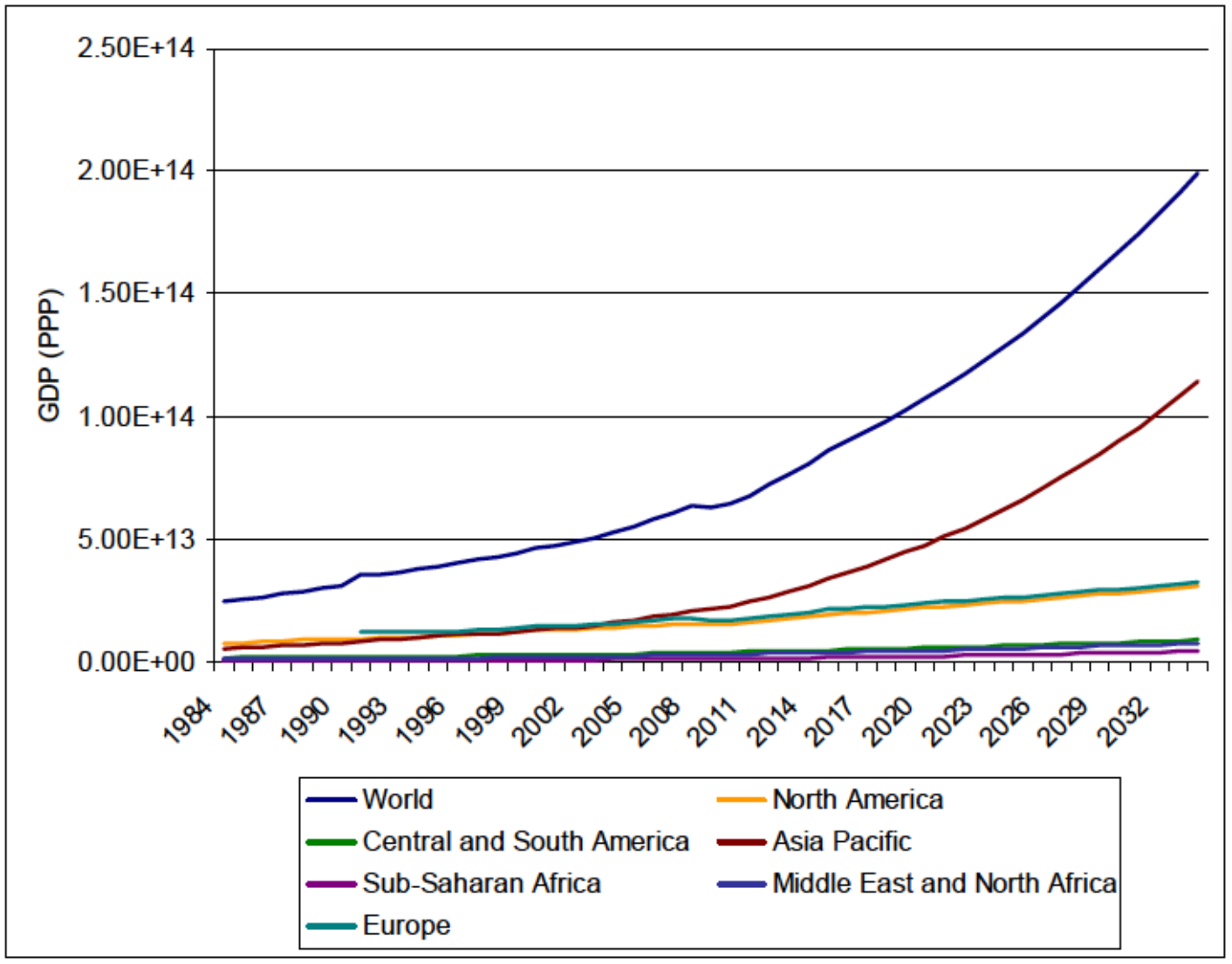
[Kharas, Homi (2010) The Emerging Middle Class In Developing Countries. OECD Development Centre Working Paper Series 285.]

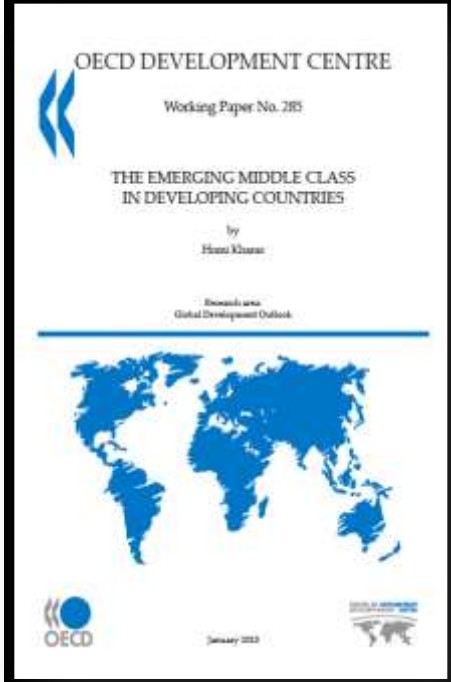
Spending by the Global Middle Class, 2009 to 2030 (millions of 2005 PPP dollars)

	2009		2020		2030	
North America	5602	26%	5863	17%	5837	10%
Europe	8138	38%	10301	29%	11337	20%
Central & South America	1534	7%	2315	7%	3117	6%
Asia Pacific	4952	23%	14798	42%	32596	59%
SSA	256	1%	448	1%	827	1%
M-East & N-Africa	796	4%	1321	4%	1966	4%
World	21278	100%	35045	100%	55680	100%

[Kharas, Homi (2010) The Emerging Middle Class In Developing Countries. OECD Development Centre Working Paper Series 285.]

World Economic Output Over 50 Years, 1984-2034 (2005 PPP $)





Overall Infrastructure spending needs for SS Africa, $bn

Infrastructure sector	Capital Expenditure	Operation & Maintenance	Total spending
ICT	7.0	2.0	9.0
Irrigation	2.9	0.6	3.4
Power	26.7	14.1	40.8
Transport	8.8	9.4	18.2
Water & sanitation	14.9	33.0	47.9
Total	60.4	33.0	93.3

Foster, V. and Briceño-Garmendia, C. (eds) (2010) *Africa's Infrastructure: A Time for Transformation*. Washington DC: World Bank

Current annual shortfall at least: $50bn.
So what gets prioritized?

Built manifestation: extreme splintered urbanism—slum neglect combined with enclave elite urbanism

RECASTING THE AGENDA

"Urban governance is here understood to encompass a range of *actors*, multiple *sites,* various layers of *relations*, a broad range of *activities* or *practices* aimed at steering economy and society, involving various *modes of power*, as well as different *scales.*"
Ilda Lindell, 2008: 1885.

Carefully drawn "situated maps" of governance dynamics & relations politics

+

Experimentation: local & city-region; present and future with an eye on effecting *disruptive change*

Disruptive technologies & cultures: recast sustainable infrastructure

- Institutional meshworks
- Democratic pressure valves
- New symbolic politics & spaces in order to establish a new set of **publics**

Alternative Urban Agenda awaiting Institutional Theory

1. Open-source social infrastructures through organisation (e.g. SDI or StreetNet);
2. Jobs linked to the crises of social mal-development and the growing environmental crisis;
3. **Infrastructure-led actions and urban reforms to simultaneously address economic, social and environmental challenges that coalesce in cities;**
4. Appropriate land-use and land value policies and regulation;
5. Effective accountability to ensure a correlation between democratic deliberation and negotiation, and resource allocation decisions;
6. Robust institutions, networks and learning as the preferred means to address knotty urban problems that manifest uniquely in different urban settings; and
7. Effective data collection and analysis to inform processes, decisions and action on an ongoing and recursive basis.

Thank You

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