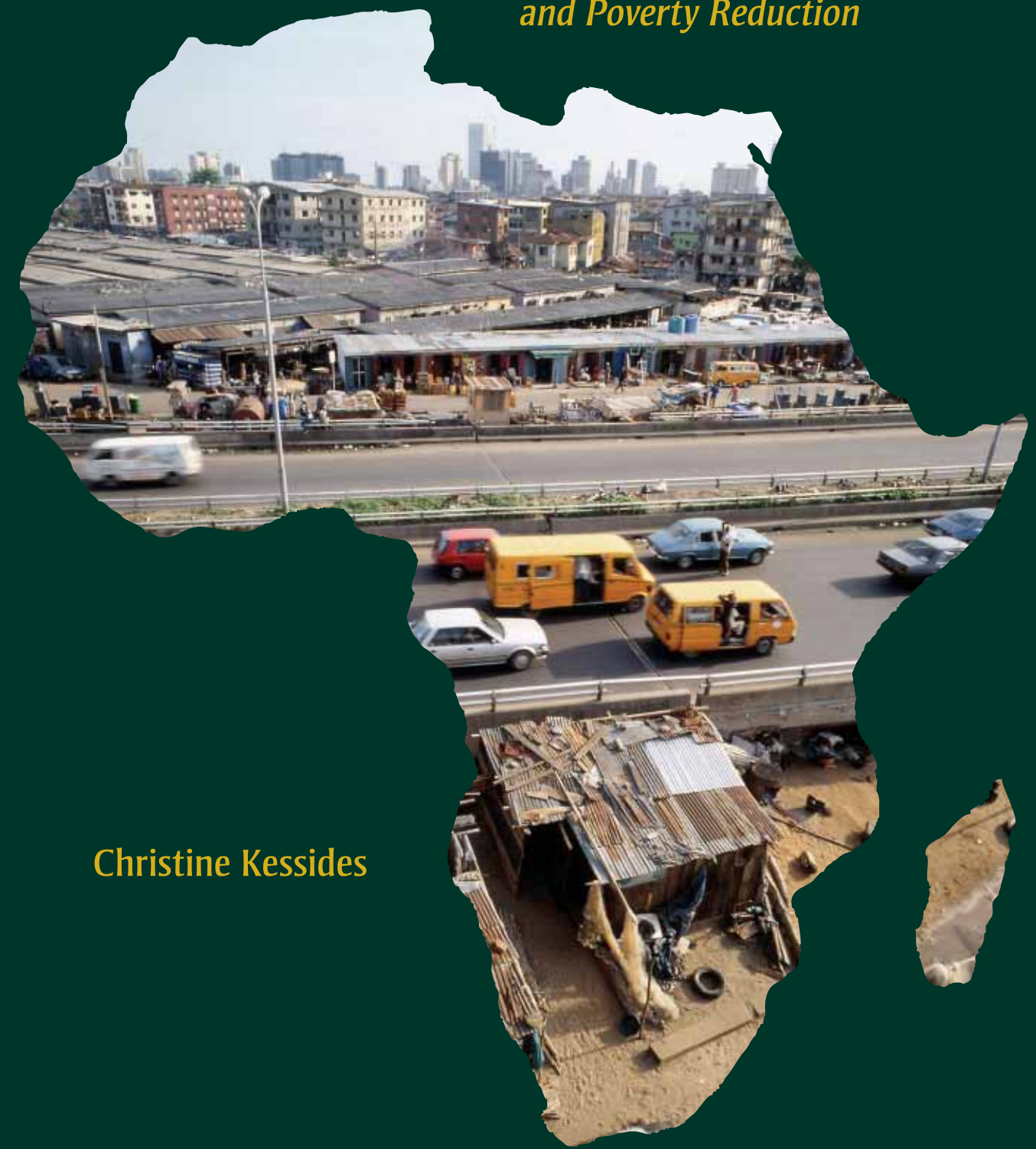




The Urban Transition in Sub-Saharan Africa

Implications for Economic Growth and Poverty Reduction

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Cover Photo: The fast-paced chaos of life in Lagos typifies both the challenges and opportunities urbanisation in Africa presents.
Edgar Cleyne / Still Pictures
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Foreword

Africa is urbanizing fast. In this short treatise, Christine Kessides provides a succinct outline of the challenges that rapid urbanization constitutes specifically in sub-Saharan Africa and some of the ways in which these can be met. She examines the context in which this rapid urbanization is taking place: (i) how the emerging cities and towns can be made to contribute positively to the development of the continent, reducing the pervasive poverty among both rural and urban residents; (ii) what requirements need to be met to make this happen; (iii) what is at stake or what are the opportunity costs to African countries if these requirements are not met; and (iv) what are the strategic and operational choices and priorities that would enable most African countries to gain the best in the process of transition to a largely urbanized society.

These are all weighty questions to ask and even more daunting to attempt to answer. For the truth is that the urban transition in Africa is at the centre of two other major revolutions which are being played out with varying degrees of success in virtually all countries of the continent. These revolutions are, on the one hand, the increasing sway of democratic culture and values with its emphasis on decentralization and devolution of powers and resources to local and municipal governments; and, on the other hand, the displacement of state controlled economies by a very expansive free and globalizing market economy.

These revolutions are why Kessides' concern is about the implications of the urban transition in sub-Saharan Africa for its economic growth and poverty reduction. The report stresses that the urban transition in sub-Saharan Africa is proceeding at a historically unprecedented rate averaging over 5 per cent per annum over the past two decades. Consequently, the critical issues that each country must face in dealing with the expected high increases to its urban population in the next decade relate to the nature of the institutional and other arrangements being made to receive these additional populations, provide them decent housing and ample employment opportunities, strive to reduce poverty among them, and ensure that they enjoy a tolerable quality of life and standard of living.

Governance reforms and fiscal sustainability, based on participatory democracy and social inclusion, are thus one of four development priorities which

Kessides posits will be important to achieve these goals. The other three are *economic modernization* to foster increased productivity through mobilizing knowledge, skills, technology and innovation; *private sector development* to nurture entrepreneurship, develop centers of demand (larger markets), information-sharing, easier access to credit, and support risk-taking through various other income alternatives and through networks with other entrepreneurs; and finally, an *agricultural transformation* to enhance market demand for agricultural goods and for non-farm activities in rural areas, stimulate agricultural intensification and promote its evolution to higher value production, and generally transform the rural areas in keeping with enhanced living conditions in urban centres.

This publication contains numerous innovative ideas for fostering the development of urban centres in all countries of sub-Saharan Africa and ensuring that they make major contributions to the economic growth and development of their nations.

Ibadan, June 1, 2006

Akin L. Mabogunje

This concise publication pulls together evidence and analysis on key themes that together inform significantly the World Bank's approach to Africa. It takes on three key dimensions of African urbanization, setting the evidence squarely in an international context. First, while African cities are growing rapidly, the overall share of the population living in urban areas is on a familiar trend compared to the experience of other countries. Second, urbanization and economic growth typically go hand-in-hand in Africa as elsewhere in the world. Third, urbanization is not the cause of poverty but can make a significant contribution to its alleviation.

The recommendations here support the World Bank's strategy that acknowledges urbanization as a positive factor to promote development in Africa. The report calls for recognizing what cities can offer and suggests that urban policies and investments need to be far more central to national development efforts. Taking a balanced approach, the report links the modern themes of urban productivity and investment climate to the traditional sources of growth in Africa, such as rural development and agriculture, showing how together they can create a virtuous circle. Institutionally, the focus is on the proactive role that city governments and municipalities must play for Africa to realize the potential of urbanization. Both approaches can serve Africa and its development partners well.

Washington, D.C., July 27, 2006

Katherine Sierra

Vice President

Sustainable Development

The World Bank

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Abbreviations and Acronyms

AFR	Africa Region
AFTU	Africa Region Water and Urban Unit
AIDS	Acquired immune deficiency syndrome
APHR	African Population and Health Center
CASSAD	Centre for African Settlement Studies and Development
CCRA	Council of Cities and Regions of Africa
CGIAR	Consultative Group on International Agricultural Research
CWIQ	Core Welfare Indicators Questionnaire
DFID	United Kingdom Department for International Development
DHS	Demographic and Health Survey
EAP	East Asia and Pacific Region
ECA	Europe and Central Asia Region
EPZ	Export protection zone
ERS	Economy Recovery Strategy
FAO	Food and Agriculture Organization
FIAS	Foreign Investment Advisory Service
GDP	Gross domestic product
GFS	Government Finance Statistics
GMR	Global Monitoring Report
HIV	Human immunodeficiency virus
ICA	Investment Climate Assessments
ILO	International Labor Organization
IMF	International Monetary Fund
LAC	Latin America and Caribbean Region
MDG	Millennium Development Goals
MNA	Middle East and North Africa Region

NGO	Nongovernmental organization
OECD	Organisation for Economic Co-operation and Development
ODPM	United Kingdom Office of the Deputy Prime Minister
PREM	Poverty Reduction and Economic Management
PRSP	Poverty Reduction Strategy Paper
RIC	Rural investment climate
SACN	South African Cities Network
SAS	South Asia Region
SSA	Sub-Saharan Africa
SSATP	Sub-Saharan Africa Transport Policy Program
TUDUR	Urban Development Unit of World Bank
UNDP	United Nations Development Programme
WBG	World Bank Group
WDR	World Development Report
WHO	World Health Organization