INTRODUCTION

Africa is urbanizing rapidly, but most of Africa’s cities are urbanizing without globalizing or industrializing. African (mega)cities hardly have connections with the rest of the world, play a minor role in international value chains, and are an unproductive mix of slums, crumbling infrastructure and white elephant projects. How do Africa’s concrete jungles develop?

OBSERVATIONS

‒ The number of sub-Saharan Africans that live in cities has almost tripled between 1990 and 2015 and grown to more than 375 million. This number grows exponentially, as the number of urban Africans is about to double again by 2035.

‒ Africa’s urbanization is mostly unplanned and uncontrolled, and the city map of these chaotic ‘Sprawls’ differs from European and Asian cities.

‒ The World Bank describes (most) African cities as crowded (but not economically dense), costly and disconnected.

‒ Data from the World Bank (urban population, urbanization growth, the added value of sectors and dependency on natural resources), the CIA Factbook (fertility) and the UN (concentration and diversification indices) show significant differences across sub-Saharan countries.

ANALYSIS

Urbanization and cities are important drivers of economic development, as they function as centers of activity and industrial production. However, Africa’s urbanization has not been driven by increasing agricultural productivity or by large-scale industrialization, and contrasts with the urbanization process in East Asian countries, which now have much higher GDP per capita levels (when corrected for their urbanization level). What type of urbanization processes do we see in Africa?

Sub-Saharan’s urbanization process has five profiles. The first profile, ‘Advanced City Dwellers’, has a relatively rich and urbanized population and diversified economies and export sectors. These economies depend on high-value added manufacturing exports and services (instead of agriculture and natural resources). Population growth is low and the urbanization speed is slowing. This urbanization process is the most sustainable and will probably give rise to Africa’s largest middle class consumers, mostly in Southern African countries such as South Africa, Botswana and Namibia. The second group is ‘Aspiring Urbans’. Population growth is slowing while the urbanization process is speeding up. These economies are structurally transforming, since the share of manufacturing and services is growing at the cost of agriculture, the production is starting to diversify and exports become less concentrated. Urban migrants, mostly from West African countries such as Ghana, Ivory Coast and Senegal, try their luck in the cities.

The third group consists of ‘Promising Potentials’, and is characterized by a high population and economic growth. It experiences the fastest urbanization, as the population is still relatively rural (just 25% lives in cities). As a result, a large part of the economy is still dependent on agriculture – although not on natural resource rents – and still undiversified. Exports are concentrated on a few products, which is now rapidly changing but remains in the initial phase of development. These cities are located mostly in East Africa, such as Kenya, Tanzania and Ethiopia. The fourth group consists of ‘City Renters’, of which the poor population lives in a few large cities. Population and urbanization growth are high, but the population is very poor, as the economy isn’t developed and largely depends on natural resource rents (50% of Angola’s GDP for example), like in Congo, Nigeria and Zimbabwe. The last group is ‘Agrarian Rurals’, of which the very poor and exponentially growing population lives in rural areas and is mostly dependent on agriculture. Urbanization and urban growth is slow as cities have little to offer, like those in Chad, Niger and Malawi.

The first two profiles show a fairly optimistic view of Africa’s urban migration, as these cities can or begin to offer opportunities for urban migrants. The third profile is most fragile, and the question is whether these economies can continue to diversify and vary exports, so that the ‘developing cities’ can cope with and manage the large influx of ‘city dwellers’. The fourth profile is outright negative regarding urban migration, as most of these cities have little to offer. The fifth profile consists of countries in which the urbanization process still has to provide – as we see – both chances and opportunities for African city dwellers.

POTENTIAL BENEFICIARIES

‒ African institutions with the required administrative resources and planning capacity to manage Africa’s urbanization.

‒ Producers of consumer discretionary that target the African consumer in Southern, and are well position for the upcoming middle class in Western and Eastern Africa.