



King's Research Portal

Document Version

Publisher's PDF, also known as Version of record

[Link to publication record in King's Research Portal](#)

Citation for published version (APA):

Potts, D. (2013). Thinkpiece: Cities of Hope: Accelerating access to urban opportunities for young people in the developing world. Centre for Development and Enterprise. <http://www.cde.org.za/images/Cities-of-hope/Debby%20Potts%20February.pdf>

Citing this paper

Please note that where the full-text provided on King's Research Portal is the Author Accepted Manuscript or Post-Print version this may differ from the final Published version. If citing, it is advised that you check and use the publisher's definitive version for pagination, volume/issue, and date of publication details. And where the final published version is provided on the Research Portal, if citing you are again advised to check the publisher's website for any subsequent corrections.

General rights

Copyright and moral rights for the publications made accessible in the Research Portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognize and abide by the legal requirements associated with these rights.

- Users may download and print one copy of any publication from the Research Portal for the purpose of private study or research.
- You may not further distribute the material or use it for any profit-making activity or commercial gain
- You may freely distribute the URL identifying the publication in the Research Portal

Take down policy

If you believe that this document breaches copyright please contact librarypure@kcl.ac.uk providing details, and we will remove access to the work immediately and investigate your claim.



Cities of Hope: Accelerating access to urban opportunities for young people in the developing world

Dr Debby Potts

**Paper prepared for the Centre for Development and Enterprise,
commissioned for Cities of Hope project, June 2013.**

This paper has only been edited lightly for clarity.

BOARD: L Dippenaar (chairman), A Bernstein (executive director), A Ball, E Bradley, C Coovadia, M Cutifani, B Figaji, F Hoosain, M Le Roux, S Maseko, I Mkhabela, M Msimang, W Nkuhlu, S Pityana, S Ridley, A Sangqu, E van As • **INTERNATIONAL ASSOCIATE** Prof P Berger

5 Eton Road, Parktown 2193, Johannesburg, South Africa • PO Box 1936, Johannesburg 2000
Telephone: +27 (0)11 482-5140 • **Fax:** +27 (0)11 482-5089 • www.cde.org.za • info@cde.org.za • **Reg No:** 026-485-NPO

Thinkpiece by Dr Deborah Potts, Cities Research Group, King's College London

Cities of Hope: Accelerating access to urban opportunities for young people in the developing world.

Preface

My contribution to this discussion about cities and employment generation relates particularly to my longstanding experience studying the cities of sub-Saharan Africa (SSA), with reference to a range of livelihood issues, including incomes, employment, and low-income housing. My focus has often been on the experiences of migrants to the city who still make up a very large proportion of the total population in many SSA large cities, although probably less than half nowadays.¹ I have used both secondary data and my own surveys to examine urban migrants' livelihoods and, importantly, their views and perceptions of the cities in which they live and their expectations (not to be confused with aspirations) for their futures. During most of the over three decades of this work SSA urban economies have been weak and became much weaker with corresponding serious changes in ordinary urban residents' incomes and welfare. Both primary and secondary data have indicated that, as would be expected from migration theory, in some countries this has led to reduction in the length of stay of migrants in towns, due to their intense economic vulnerability. There is also significant differentiation between countries which is important to recognize. The differences can generally be explained with reference to local and global economic forces. These observations are largely derived from SSA regions beyond South Africa and the following discussion needs to be understood in this light. In many ways South Africa is different but there are also important lessons to derive from elsewhere and specific reference is sometimes made to South Africa's situation below.

¹ In Dar es Salaam in 2002 for example those not born in the city constituted about half the population; in the same year this was true of a little under half the population of Harare and Bulawayo.

Urbanization and the specialization of labour: the experience of sub-Saharan Africa in a globalizing economy

When I began studying urbanization and urban economies in the 1970s as an undergraduate reading for a Geography degree, the following were starting points which underpinned the teaching about what cities were for, and what they meant for national economies. Densely populated, nucleated settlements with large numbers of people emerged when modes of production evolved that generated sufficient surpluses of food to allow labour specialization – in crude terms some people had time to stop farming and focus all their energies on producing things other than food, water and rural shelters. These could then be traded. New class systems emerged as both the agricultural and ‘urban’ surpluses created the potential for activities which were not directly ‘productive’ (making or growing things) such as being a trader. Crucially the surpluses also led to the emergence of various types of ruling classes who managed to capture significant fractions of the surpluses produced and often developed ostentatious lifestyles. The history of early urbanism, from Ur and Babylon in the Middle East, to China, Egypt, South-East Asia and the societies of Central and South America, can all be so typified.

But specialization of labour was the key – large numbers of people had to be producing things that other people wanted. Urban economic geography texts then went on to detail the usual economic advantages that can accrue from large, densely settled towns: economies of scale, agglomeration economies, backward and forward linkages, innovations (and their rapid diffusion), threshold markets for certain types of trade or production. Towns themselves also specialized: central place theory identified roles such as transport (towns based at fords; ports etc); market towns (based on trade, including agricultural trade), and administration. All these functions relate ultimately to channelling, trading and taxing surplus produce. But many towns specialized in industrial production: transforming raw materials into tradeable goods. These urban functions all created lots of work and employment (which it is important to note is not always the same thing as formal sector jobs). Once capitalism became the dominant mode of production, they created lots of jobs: the majority of urban people worked for those who controlled the means of production and the trade.

It was presumed in our academic studies that urbanization, in general, was good. In relation to the ‘Third World’ (the term then used) it was a goal: urbanization was associated with all sorts of things like ‘development’, modernization, industrialization. These were inherently linked. Development needed higher incomes per person; specialization of labour into areas where higher value was added – which meant urbanization – was thus essential. The five-year development plans of Third World countries were typified by reference to the need to create urban ‘growth poles’ (a much misunderstood concept), to encourage rural people to live in nucleated settlements that would become ‘growth centres’, and to identify and stimulate the economies of promising ‘small towns’. The African urban literature was full of analysis of these sorts of policies. And all countries knew they had to industrialize because that was where the value-added and the jobs came from.

Geographers brought up on this diet of urban economic theory were therefore both amused and surprised when the 2009 World Development Report from the World Bank focused on the developmental benefits of urbanization, expounding all the theoretical elements that were common knowledge as though they were somehow new. Density and diffusion were in (again)! In part this was due to the general tendency of (neo-classical) economics to colonize other disciplines, reproducing (sometimes rather awkwardly and painfully) their basic insights and underpinnings in economic-speak rather than building on them. But the Report also ignored many of the new perspectives on urbanization which had emerged in urban studies since the end of the 1970s as neo-liberal economic policies increasingly came to dominate the world. For the 'old' urban economic studies to a large extent assumed (implicitly) that the 'unit of study' was a national, or perhaps regional, urban system or hierarchy. National policies to foster strategic urban developments, above all in industries, were meaningful and commonly recommended. Countries across the globe outside Europe and North America had been busy fostering 'infant industries'. Import substitution industrialization was all the rage. Latin America was behind both the theory and practice of ISI. Most countries there were predominantly urban by the 1970s. South Korea and Taiwan had managed to industrialize by developing export industries. If these countries could urbanize and industrialize, why not everyone else?²

The latest round of globalization that began in the late 1970s as neo-liberal economic theory came to hold increasing sway however meant that much of the implicit background to development and urban economic theory no longer held. Competition had always been an important influence on who could produce what, where. Much of the development policy in countries all over Asia, Africa (including apartheid South Africa) and Latin America had been related to ameliorating and resisting the impact of competition from established industrial nations and cities in the West, not always successfully, in order to join that 'establishment'. Trade liberalization meant that the urban policy 'list' had to be discarded. Now not only were cities competing globally, but they were pitched against one another within the same country.

The forces of globalization are obviously not new, they are hundreds of years old. For Asia and Africa the waxing and waning of those forces in relation to economic policies practised within the boundaries of contemporary states can be crudely divided into a pre-independence period and two post-independence periods. Under European colonial rule which 'created' the boundaries which now determine the competing geographical units in the global economy, economic policies obviously favoured the economic development of the colonial powers rather than the colonies and economic transformation towards **urban-based**, higher value-added production was restricted. The first phase of independence ushered in policies aimed at creating that very transformation, as fast as possible, no matter whether the new 'country' had any comparative advantage in global competitive terms in those types of activities, work and production. 'Modernizing' the economy via state intervention was, of course, at the time the advice of the world's

² This was an understandable view although it unfortunately ignored the enforced agricultural land reforms and huge amounts of aid money that helped Taiwan and South Korea to transform from rural to urban economies in astonishingly short periods of time. The USA was behind both, for strategic Cold War reasons.

development economists and donors. Industrialization for most countries was accomplished behind tariff barriers, to protect from competition. The next phase, which is still current, was the antithesis: trade liberalization and the promotion of structural adjustment of economies (back) towards production based on their 'natural' comparative advantage, with resources allocated by market forces.

The outcomes of these phases for Asian and African countries, their cities, and their urban workforces, have been extraordinarily different. It is evident that the phasing was different in detail, rather crucially. Asian countries had been implementing their 'modernizing' policies for far longer than African countries, before liberalizing. They attained independence in the immediate post-war period, and had often had a generation (20 years or so) of 'modernization' before many African colonies could start their own programmes in the 1960s. Excluding South Africa which had the advantage of being independent from 1910, southern African countries were particularly disadvantaged in this respect, being so late in attaining independence due to white minority rule. With shockingly few educated people as one of their colonial legacies, there was scarcely time to start down the modernizing path (and for countries like Mozambique, no time at all), before the combination of the oil and subsequent debt crises of the 1970s hurried them into the second post-colonial phase of liberalized and structurally adjusted economies. In sub-Saharan Africa education and health systems and infrastructure fell apart, economies de-industrialized and in many per capita incomes declined. Even the strongest proponents of neo-liberalism at the time, such as the World Bank, no longer deny that the 1980s was a lost decade for 'development' in sub-Saharan Africa; for many countries this was also true of much of the 1990s (for francophone West Africa, some of the impacts of neo-liberalism took until the 1990s to really bite, due to the protection of using the CFA franc which was not devalued until then). But many Asian countries, and obviously particularly China, found that 'strategic' liberalization, playing to their comparative advantage, was beneficial for national economies and urban workforces because their 'advantage' lay in manufacturing industry. Thus they could have their cake and eat it: with huge, and now somewhat or even relatively well educated, workforces, and improved and improving infrastructure, industrialization and urbanization were where their 'natural' development path now lay. They could out-compete the West in many industries, and modernization was assured.

So far, no matter which way one looks at it, no matter which data one uses, there is no evidence that sub-Saharan African countries (SSA), including South Africa, have yet moved to a position where they can begin to compete in this crucial area of *urban-based, urban-located mass creation of 'decent' jobs*. We will come back to the issue of 'decent' work, because it is a crucial area for understanding what sort of urbanization is 'developmental' (in both the crude economic and social senses). There is huge excitement over GDP growth rates in SSA nowadays. It is certainly very heartening after the decades of stagnation or decline. But it is largely generated by natural resources, by primary commodity exports. Structural adjustment has really worked: the region has reverted to production based on its comparative advantage in a new global system where Asia is the global manufacturing giant, Europe, Japan and North America retain huge amounts of corporate power and influence and some advantage still in the highest value-

added manufacturing (but not the capacity to create enough jobs for their workforces), and Latin America has been growing fast and creating many new jobs but nonetheless is struggling to compete with Asia. In fact, *everywhere* is struggling to compete with Asia when it comes to providing work for young urban people. It is true of Brazil where there is much concern about the possibility of industrial jobs being lost; and the proportion of GDP in many countries generated by primary products has been increasing.

There is much effort in corporate analyses about SSA economic growth, and those by global economic agencies and some academics to downplay the centrality of the constraints of a globalized and liberalized economy and of the role of primary commodities. Peace dividends are emphasised, for example. This is happily true for Angola and Mozambique, and indeed much of southern Africa after the era of destabilization ended in the 1990s, and for Rwanda, Liberia and Sierra Leone. The picture in West Africa, particularly for francophone landlocked countries, is however more mixed. The DRC is disastrous still. Much is made nowadays about the surging growth of the African middle classes (basically urban people) and how this demonstrates the turnaround of African economies. One BBC Africa correspondent predicted for 2012 (somewhat tongue-in-cheek) that, ‘The phrase “African middle class” will appear in more international headlines than “famine” and ‘Someone will coin a new name for Africa’s middle class - which will be 400-million strong by the end of the year’ (Harding 2012). But these analyses turn out always to be about consumption, not production and, anyway, the numbers are grossly misrepresented. The vast majority in nearly all SSA countries are on less than \$4 a day at purchasing power parity (not a middle class income) and most are on less than \$2 (see Figure 1; these issues are discussed in detail in Potts 2013).³ For urban-located employment growth for the vast majority of ‘ordinary’ Africans, especially the youth, the indices that need to be investigated lie in data on the structure of the economy and, very obviously, formal job creation figures. One can search endless articles in papers like the *Financial Times* about SSA economic growth and find not a single description of the new establishment of large-scale enterprises in African towns that are employing thousands (or even hundreds) of people. The only exception are the very recent plans about large-scale expansion of the Chinese Huajian shoe factory on the outskirts of Addis Ababa. Web searches about Chinese investment in manufacturing (as opposed to other types of investment) in Africa swiftly lead to this factory which employed several hundred and was, by African standards, therefore a significant employer. In June 2013 massive expansion was announced with job creation up to 100,000 in a shoe production hub in a special economic zone. The supply of cheap leather from Ethiopia’s vast livestock herds and advantageous access to European and American markets were major incentives (Jobson 2013). If this occurs, it would transform Addis’s employment structure. Yet any description of Asian cities is replete with such evidence. What one does find on SSA cities is, almost without exception, discussion of new shopping malls and sales of fast cars. Occasionally it is admitted that this or that SSA country has de-industrialized. The significance of this is usually brushed over.

³ The Paris-based Institute of Security Studies predicts huge increases in the global middle classes but their associated income band is of people with US\$10-100 *disposable* income per day (ie after essential food, rent, clothing and other necessary expenditure) (Stephens 2012).

There is unquestionably an ideological element to these sorts of analyses because they emanate from sources which believe that a globalized, liberalized world economy is beneficial. And so it has been, for some parts of the world. The problem is that there is a *geography* to comparative advantage. Not all types of comparative advantage are equal, and their effects for urban people and job creation are very different indeed. Admitting that this means that some parts of the world (SSA) must end up producing the low value-added primary commodities that other parts (Asia) will transform into high value-added goods is awkward as it forces recognition of the obvious: that globalization is disadvantageous for the 'development' (in the true sense) of some other parts of the world, and for lots of people. But if one goes back to the 1981 Berg Report (the World Bank report so sadly misnamed: 'Accelerated Development in sub-Saharan Africa') which ushered in structural adjustment in the region, it was made explicit that policies were intended to redress what was perceived as an unwarranted and economically damaging urban bias in the previous modernization strategies, and thus would inevitably cut urban incomes and (formal) employment. They succeeded. The irony of the World Bank *volte face* in 2009 might be entertaining had its outcomes for SSA not been so painful and made it so difficult to re-create urban opportunities.

The hegemony of the view that globalization is good for SSA, as well as for Asia, is so strong that setting out the counterview is crucial for any serious analysis of why African cities, including in South Africa, are struggling to modernize their economies and provide mass employment for their youths. The key point is that global economic forces constrain the current growth of African *formal* urban employment and are so strong in a WTO-policed world that city and national governments are also restricted in what they can achieve. Informal sector work is another matter. But let us return to the topic of current analyses of African economic growth which all tend to contain another curious feature: that urbanization, *per se*, causes economic development, and that since SSA is urbanizing rapidly, this means more economic development.⁴ This puts the cart before the horse, because actually it is economic development spurred by specialized urban-based employment creation that leads to rapid urbanization, not vice versa. Merely putting a lot of people into one place is not enough (otherwise refugee camps would be centres of economic transformation). As will be seen, Africa has not been urbanizing as fast as many people think, precisely because of the weakness in African urban economies explained above.

This brings us back to the employment problems of African cities and the issue of comparative advantage. Many SSA countries experienced de-industrialization as a result of competition from liberalized imports at the same time that Asian countries experienced rapid growth of manufacturing industry and the creation of millions of urban-located jobs. Some SSA countries can compete in terms of cheapness of labour, although this is not true of South Africa, but this is only one of many global competitive issues for urban-

⁴ This viewpoint is repeated endlessly eg in the McKinsey Report on African economies, by the World Economic Forum, in most media analyses. The head of UN Habitat, Joan Clos, wrote in the preface to the 2010 State of African Cities report that in Africa, 'Just as the Asian powerhouses, Africa stands to benefit from the rapid expansion of its cities. Urbanization is jump-starting industrialization'.

based production. Reasonably educated labour is in short supply and has probably become proportionally less rather than more available due to the previous impacts of structural adjustment programmes on education. South Africa has major problems in this respect too and seems to have failed to redress the legacies of poor education for the majority for unclear reasons. Lack of reliable infrastructure is a huge problem in many African towns, particularly electricity, thus making production of any goods more expensive and less competitive. Many countries are landlocked which is a further competitive disadvantage in any activity involving trade. Also, as the centre of global economic gravity has shifted towards Asia, simple geography enhances the competitiveness of countries in that region for any outsourcing of the cheaper end of supply chain activities.

The hard truth is that a liberalized global economy imposes serious limits on what most SSA towns can produce in terms of manufactured goods, even for their domestic economies. Other cities in other countries can produce them more cheaply. The 2012 African Economic Outlook noted that ‘African manufacturers.... face fierce competition at home and abroad from advanced countries and emerging countries, notably China’ (African Development Bank 2012: 21). In 2011, light manufacturing exports from sub-Saharan Africa comprised only 0.9% of the world total, a decline from 1.2% in 1980, and the 2011 African Competitiveness Report stated that the conditions for heavy manufacturing are simply not met in most low- and middle-income SSA countries (World Economic Forum et al 2011). In the absence of government intervention to re-protect urban-based industry, which today would bring conflict with the World Trade Organization, the room for improvement is quite small.

Even large countries with major domestic markets are struggling. The laws of comparative advantage mean that Nigeria has lost 80% of its textile factories (Green and Macnamara 2008, citing Alden) and 250,000 associated jobs equivalent to just under a quarter of the current manufacturing workforce. In 2007 oil and gas accounted for 38% of Nigerian GDP, agriculture for 32%, and wholesale and retail trade for 15%; manufacturing accounted for only 2.5% (National Bureau of Statistics 2008). In the manufacturing towns of southeast Nigeria, shoe production in the town of Aba has been estimated to have halved due to Chinese competition by 2007, and factories were closing in the motor parts industry in nearby Nnewi (Financial Times 2007). In South Africa manufacturing’s contribution to GDP in 2012 was under 14% but was 20% ten years before. Publicity for a meeting at the Johannesburg Stock Exchange in February 2012 on South African manufacturing noted that the sector was ‘struggling to compete against lesser cost and at times more agile competitors..... Can South Africa compete against Asia?’ (Africa Frontiers Forum 2012).

Most headlines about industrial competition are about China but the competition for SSA is realistically other Asian countries. A more worrying example might be Cambodia. In 2008 its population was 13.4 million and its urban system was quite comparable to many SSA countries. The capital, Phnom Penh, had 1.2 million people and the next largest town about 168,000. The urbanization level was about 20%. Yet the country had 2.5 million internal economic migrants of a total labour force of 7 million (ILO 2010) and the

garment industry, which started in 1994 (SourceAsean 2010), employed 350,000 women, had increased its employment numbers by 18% over the past two years, and exported products worth \$2.8 billion (ILO 2008) rising to \$3.47 billion by 2011 (ILO et al 2011). In 2010 textiles, garments and shoes accounted for 95% of exports, and garments for 16% of GDP (SourceAsean 2010). The country experienced annual average GDP growth of 9.8% from 1997 to 2007 and about 100,000 new industrial jobs (including utilities, construction and mining) were created each year (World Bank 2009). Another example is Vietnam with a large population about the size of Ethiopia's and which in 2008 exported more light manufacturing products than all of sub-Saharan Africa including South Africa (World Economic Forum et al, 2011).

2. The rate of urbanization in SSA

In the majority of mainland countries with reasonably large populations (over about 2.5 million) for which we have adequate census information, the rate at which the population urbanized in the 1980s and/or the 1990s and into the 2000s slowed significantly in comparison with earlier rates in the first decades of independence. Many Asian countries have been urbanizing faster. Many large towns, sometimes including the capital city, grew only a little faster than the national population. Several grew more slowly and lost population share relative to the country as a whole. Where it has been possible to calculate the urban share as a whole, or this has been published and is regarded as realistic, it has occasionally been found that the country as a whole has counter-urbanized, i.e. the urban population share has fallen.⁵ Work by French academics on West Africa, using census data, migrant surveys, and remote sensing has also shown that levels of urbanization in various countries, including Nigeria, are lower than has been 'expected'.

These patterns are not always acknowledged because, for various reasons, a strong 'received wisdom' persists that SSA is and has been urbanizing faster than anywhere else in the world. Standard agency reports from the World Bank and UN Habitat reiterate this position and most academic and media analyses follow. The confusion partly arises from not always recognizing that fast urban population growth, *per se*, need not necessarily cause rapid *urbanization* (a demographic and structural shift whereby the proportion of the urban population rises). In many SSA countries the national population is still growing fast as birth rates remain high and death rates fall. Where urban growth rates fell, the gap between national population growth and overall urban population growth diminished; it is this gap which determines the rate at which urbanization levels increase.

⁵ This sort of research is painstaking and complex and space precludes it being discussed in detail here. The methods, data sources and detailed analyses can be found in Potts (2009, 2010, 2012a, b) and, for West Africa, Beauchemin and Bocquier (2004). It should be noted that the analysis excludes island states and countries with very small populations. There are many of these in sub-Saharan Africa. Small islands in particular tend to be highly urbanized but their social and economic geography tends to differ so much from that of the large mainland countries with major rural areas that their inclusion in general analyses tends to distract from more generalizable issues. Moreover, they represent such a small share of sub-Saharan Africa's total population but such a large proportion of the total number of countries that the experiences of relatively few sub-Saharan African people attract too much analytical effort at the expense of understanding what is happening to the majority.

At the same time, because urban natural increase rates are high in most SSA countries, population growth in many towns is fast by world standards. This has major implications for required job expansion, housing, service infrastructure and the strengthening of urban planning and governance. These are all huge challenges. A common mistake made is to think that the analysis provided above of the census data counters this. It does not. Instead the significance of the census data lie mainly in what they tell us about national economies, sectoral trends, and activity and employment patterns which is that African cities tend to have very weak formal economies which have not been providing enough longterm incentives to bring about a rapid increase in the proportion (rather than absolute numbers) of urban people.

As shown in Table 1, the scenario for many countries in sub-Saharan Africa over their latest intercensal period was that they experienced a roughly one to two per cent increase in the urban share of their populations. Thus at the national level the shift from 'rural' activities and village-located livelihoods was very limited. Were such patterns to continue, countries like Malawi, Uganda and Mozambique would still be less than 50% urbanized by the end of this century. It is completely absurd to make such projections but the point is made because 'examples' like this help to focus attention and to remind us that the 'received wisdom' is also based on projections that go far into the uncertain future. However, a smaller group of countries has urbanized much faster, more in line with the 'received wisdom'. A further small group experienced periods of actual counter-urbanization whereby the urban share has actually fallen. There is thus not only variation between countries, as would be expected in such a vast region, but also much variation in the experience of individual towns in each country. Figures 2 to 4 give some indication of this variation within countries; points worth noting are that the capital city is not always the fastest

Table 1: Large mainland countries by speed of urbanization and census period

Counter-urbanization (urban share falling)	Slow urbanization ($< 2\%$ between censuses)	Rapid urbanization	Uncertain
Zambia 1980-90, 1990-2000	Benin 1992-2002	Burkina Faso 1996-2006	Angola
Cote d'Ivoire 1988-98	Ethiopia 1994-2007	Cameroon 1987-2005	Congo (DRC)
Mali 1987-98	Malawi 1998-2008	Tanzania 1998-2002	Kenya 1989-2009
CAR 1988-2003	Mauritania 1988-2000		
	Mozambique 1997-2007		
	Niger 1988-2001		
	Senegal 1988-2002		
	Sudan 1993-2008		
	Togo 1981-2010		
	Uganda 1991-2002		
	Zambia 2000-2010		
	Nigeria 1991-2006 ¹		

1. Nigeria's censuses are particularly complicated. Nonetheless not only has its urbanization level been greatly exaggerated but many large towns' populations have not been growing much, if any, faster than the national population (see Potts 2011 for details).

growing town and that very rapid growth in the capital city need not translate into fast urbanization overall. The understandable focus on capital cities in most analyses can thus mislead if the purpose is to understand how structural forces are working their way through the *national* economy.

It is also evident that the urban definitions used by some SSA countries, especially in East Africa, are increasingly misleading comparative analysis of their urbanization as they overestimate the level of their urbanization. This, in turn, leads to much-hyped discussions of how attractive urban areas are (or have become) and of their economic vitality. The World Bank (2011), for example, touts a 30% urbanization level for Kenya when the 'real' level from the 2009 census was probably more like 23%. In Tanzania, depending on the urban definitions used, the 2002 census could indicate an urbanization level of 17% or 23% (Muzzini and Lindeboom 2008). In Kenya the problem arises because peri-urban areas which are 'densely' settled are being included in some urban statistics, although it is clear that in many cases these are rural areas where people are

farming. In Tanzania there is no clear definition of what should be enumerated as urban and urban figures can include mixed rural/urban wards and entirely rural wards. Its 'economically functional' level of urbanization in 2002 was therefore definitely less than 23%. Occupational statistics back this up: one third of the employed in 'urban' Tanzania in 2002 were working in agricultural activities and in some towns, like Lindi, such activities accounted for about half of those employed in the *core* urban wards. In small towns and townships the vast majority (67%) were working in agriculture (Bezzini and Lindeboom 2008). In Tanga City, on the coast, which at independence was Tanzania's second largest mainland urban area, in 2002 the largest single employment category was 'farmers' and agriculture, forestry and fishing accounted for over a third of total employment (calculated from data in United Republic of Tanzania 2008). Ghana's recent census shows clearly that the country has urbanized rapidly in the 21st century, after a period in the 1970s and 1980s of urban stagnation. It is now over half urbanized, using its definition of settlements over 5,000 people. Nonetheless some local academics argue that a better cut-off would be 10,000 since many of the smaller settlements are rural in character, but the political advantages of being deemed 'urban' means the lower limit has prevailed.

There is an interesting debate in urban studies about the usefulness of urban definitions (Champion and Hugo 2004) but for any analysis trying to assess structural shifts in the sectoral composition of employment and livelihoods, including farmers in villages as 'urban' is evidently going to mislead. The issue is flagged here because the urbanization level (along with urban population growth) is often taken as a proxy for significant economic transformation and a shift to higher value-added work and production. It can be a game-changer for comparative economic analysis: if India adopted the simple size thresholds often used in SSA countries, instead of combining this with an occupational element as it does, it would probably be defined as a mainly urban country, and the same is true of Bangladesh if simple population density definitions were used (Corbridge and Jones 2010). At a stroke such redefinitions entirely redefine the analysis of urbanization and migration in these countries, and global perceptions of their character. It redefines the geography of poverty and reclassifies much migration as urban-urban rather than rural-urban. The impact on policy issues is enormous.

3. Urban welfare and incomes and the role of the state

The outcomes for net migration to SSA towns of liberalized economies and globalization are predictable from standard migration theory which focuses on income differentials. The predictability is enhanced when orthodox migration theory factors in the effect of employment creation in the urban informal sector and life-time income expectations over short-term income differences (Todaro 1971) and, crucially, the impact of higher urban costs of living, particularly in large cities.

However, urban costs of living can be tempered by government policies in very significant ways, adding a further layer of income effects on migration. It is useful, indeed essential, to step back from the arena of African urbanization to consider this

properly. A significant element of contemporary urban studies teaching in the wealthy parts of the world can be typified as follows: it is taken as read that the city - its land and labour markets and its economy - is determined mainly by a capitalist mode of production; it is understood that this means that a proportion of the workforce will be unable to command incomes sufficient to provide itself with housing *commensurate with the legal standards required by local laws* and with enough other basic necessities, including food, for the *minimum standard of living deemed by these (democratic) societies as necessary or 'desirable'*; and thus much academic study is about urban policies designed to ameliorate this situation – their efficacy, their desirability, and advocacy for more intervention to help those in poverty. In these countries, of course, especially in Europe, there is a strong welfare state derived from the post-war social contract struck between the electorate, capital and the state. This is specifically designed to limit the worst aspects of the economic vulnerability inherent for employees in a capitalist system whereby most people are reliant on earning wages to survive, and can be destituted by unemployment, illness, disability or old age. In the 18th and 19th centuries that inherent vulnerability in Europe's and North America's cities often created mortality conditions that seem incredible now, whereby city populations would have shrunk without inflows of new migrants – conditions that are fortunately rarely replicated in cities today in any part of the world, including Africa.

Thus in the rich parts of the world, housing benefits and rent regulations, sickness, disability and unemployment benefits, and pensions, and a plethora of subsidies of various sorts underpin the standard of living (or bring down the real cost of living). Since all these societies are essentially urban, these are essentially urban benefits.⁶ In the USA, for example, a massive subsidy of the urban workforce comes through food vouchers which make up the largest element of the *agricultural* budget (since it is understood that these prop up farming incomes, inter alia). In March 2013 one in seven Americans was on food vouchers.⁷ In the UK benefits make up over half the income of 30% of families – more than half of these being pensioner households (Guardian 2013).

Housing policies are central to these interventions. European social housing policies vary but it is these which prevent mass *visible* poverty as experienced in poorer cities (eg slums, informal settlements and street homelessness at scale). Very strict enforcement of private property rights also prevents informal housing solutions developing at scale but it is possible that the collapse of social housing policies could overwhelm this situation in 'wealthy' countries: bidonvilles were characteristic of Paris in the 1960s housing about 50,000 and informal settlements have developed again in Lisbon recently (Acsensao 2010).⁸ In Europe the proportion of renters in subsidized accommodation of different sorts varies. For example it is a small fraction in Switzerland and Germany (which however has strong rent regulation) but more than half in Italy, Ireland, Portugal, Spain and UK (based on data in Hammond 2013).

⁶ Some (from both the left and the right) see these 'benefits' as state support for capitalist employers by allowing them to underpay workers, and argue that a state-enforced 'living' wage would be better. This still gives the state the key role, however, and it is unlikely to be able to manage the real cost of housing families in large metropolitan areas.

⁷ 47,727,052 people out of a population of 316,024,000 receiving an average monthly food voucher benefit of \$132.86.

⁸ Current policies being implemented from April 2013 in UK to cap housing benefits will drive massive changes in the country's urban housing geography and are expected to increase 'homelessness' dramatically.

There is a crucial aspect of housing policies which influences the urban and migration geography of these societies, particularly in Europe. There are strong norms, written into policy, about what is regarded as minimum ‘decent’ standards in housing which these societies feel that *families* should live in. These derive in part from the shocking experiences of slum conditions that pertained in the past and generations of advocacy against their replication and, from a different perspective, the associated health threats for the wider population. Space, number of bedrooms, and infrastructure (safe electricity, fire escapes, sanitation, water etc) are all regulated.⁹ The commitment to ‘decent’ living is expensive for the state because the labour market generates many working families who are absolutely unable to afford the minimum standard housing allowed, if bought on the private market (see Box 1 for the example of England). Hence, social housing in which rents are subsidised and housing benefits whereby all or a portion of rents are paid to private landlords by the state when families cannot afford to pay such rents. As average wages are now falling in America and Europe, and incomes are falling most steeply for the poorer paid, and private rental housing costs are increasing in most large cities, it is rather obvious that the future nature of these cities rests to a significant extent on this public commitment to ‘decent’ housing.

⁹ In fact many countries of the Global South have all sorts of ‘regulations’ on the books, often inherited from past colonial legal frameworks, but since they are not (and often cannot be) enforced, they are not really relevant to the debate. Laws are always meaningless unless there is political action to allocate resources to their enforcement.

Box 1: Housing costs and incomes for working people: the example of England

People in ordinary jobs who are paying over 35% of their take home pay (after tax etc) on housing are usually considered to be facing financial problems because that level of expenditure on housing is unaffordable – longstanding research on housing markets and welfare in Britain and elsewhere has demonstrated this.

Statutory housing standards in Britain mean that families are expected not to share bedrooms. Parents and children are meant to have separate rooms and over the age of puberty, children of different sexes should have separate rooms. This means that a family with two children – a boy and a girl – need three bedrooms.

Research in England using Valuations Office Agency Private Rental Market Statistics show that the median rent for a two bedroom rented home in 2011 cost more than 35% of local median take home pay for full-time employees in 55% of local authority areas. In other words, private sector accommodation in most of England was unaffordable for any family even if they only had one child if only one income is being earned and that incomes falls in the lower half of the income range. Any family with two children who needed three bedrooms would be utterly unable to pay the much higher rent necessary. In Haringey, in London's north-east, which has many working class families and is hugely ethnically diverse, a three bed home would take up 75% of median income.

The problem is much worse in the south-east of England because higher pay levels are far outweighed by higher rents. Median monthly rent for a 2 bedroom home in London in 2010-11 was £1,360 and this was 60% of the median take home pay; in Oxford it was 55%. Even in some poorer towns the problem was worse than the average because local pay was so poor: in Blackpool 42% of take home pay is needed.

Rents in London in particular are rising much faster than incomes: in outer London rents in 2011 rose three times faster. Over a quarter of London's population were renting from private landlords in 2013, up from 14% in 1991. Since the financial crisis of 2008 incomes for many key workers are actually falling in real terms; for example, they fell in 2011 by 1% for nurses and teachers. Using the 35% of net income cut-off, a two bed home would have been unaffordable for a two-earner family consisting of a full-time prison officer and a part-time teacher in 2011. A net household income of over £40,000 (equivalent to £50,400 in gross wages) would be needed to rent a two bed home in half of London's 32 boroughs.

The impossibility of affording housing for the millions on much less than median incomes is obvious. There are, for example, six million people who earn within a pound of the minimum wage (£6.19 per hour in UK for adults). Full time workers on the minimum wage earn £10,740 annually net (£825 per month). This would not even cover the median rent in 28 out of 32 London Boroughs or that in nearly a fifth of England's local authorities. Even for a family with two full-time workers on minimum wages, in those localities the median rent for a two bed home would be taking up over half of the budget.

The housing issue is compounded when energy bills are factored in. These averaged £1,356 per year per UK household in 2012. Research using average rents and energy costs in England in 2012 found that these totalled £10,248 per year. A minimum wage worker would be unlikely to live in the average home but if they did their 'disposable' income to cover necessities such as food, clothes, transport, council tax would be less than £1.50 per day. That would be impossible.

The data explain how so many ordinary working people who aspire to the human right of having a family and living as a family unit cannot afford to. The provision of some sort of social housing and a wide range of state benefits, including housing benefits which pay rents to private landlords, is the only way that millions of people *who are in work* can survive in the UK. And the analysis has not included the many families on unemployment or sickness benefits or dependent on state pension income – all of which are a fraction of median earned incomes – who are simply completely unable to afford statutory, legal housing.

Sources: see reference list

The data in Box 1 demonstrate the significance of housing costs in family budgets if the statutory norms are not breached and the crucial role of the state in filling the gap between market rents and market wages for families. But such payments are means-tested and household heads are faced with the dilemma that low-paid jobs could make their families poorer if housing benefits are removed. Those in social housing are somewhat safer. However, single people are left more to their own devices. It is arguable that one reason why immigrants to rich countries' cities are often found disproportionately in low-income jobs is that many are 'single'¹⁰ (and often young) people – the classic stereotypical migrant of African and all other migration studies. They can 'live' on low wages by sharing rental housing in which conditions may breach local regulations. They might even save money to remit home. Local citizens with co-resident families (the desirable human norm which underpins societal stability), on the other hand, must 'accept' (in a positive way) higher living costs since only these are commensurate with the societal norms regulated by the state – and the issue of housing costs is not the only one because obviously a worker with co-resident dependents has much higher costs generally. In other words the composition of urban households in which workers are embedded is very important for understanding their livelihood options.¹¹

4. African rural-urban and urban-rural migration

What has all this to do with African cities one might ask? A great deal. Because first, housing and cost outcomes for their residents are *not* generally mediated by the state. Thus the urban living cost issue is much more important in explaining urban people's behaviour and the extent of urban poverty. Also, since so many SSA countries still have a rural majority (unlike those of the Global North), internal rural-urban migration remains an important factor for urbanization and these unmediated costs affect the nature of migration to town – its scale, its temporality (how long people stay), and its net contribution to urban population growth in specific time periods.

African migrants to towns in SSA are faced with quite stark economic evaluations, just as the European proletariat was during the Industrial Revolution. They must find work, or create work, which pays enough to buy food, pay for water, and for shelter and clothes. In rural areas, if they came from farming households, it is possible that the first three were all 'free' in the sense that no cash transactions were involved. It is important not to overstate this since many migrants come from rural areas where most families are net food purchasers during the crop year; nonetheless at least some of their annual food needs may be grown. The prevalence of migrant concerns in surveys in Harare (and many other African cities) about food prices and the 'need for cash for everything' is almost

¹⁰ In the sense that, even if they have dependents/are married etc., the rest of their household remains in their place of origin.

¹¹ Others typify this situations in terms of segmented labour markets and focus on how citizens are reluctant to work in low paid jobs which migrants from poorer societies will accept because state benefits computed to cover basic living costs for urban families exceed the net pay in many jobs. Whilst some political parties (eg the Conservative Party in UK) perceive this situation to demonstrate that benefits are too high, calculations based on wages in low-paid jobs or the minimum wage, as in Box 1, demonstrate that it would be impossible for even a small family to survive on two such wages in many large cities, given the market rates for housing. This is why most benefits in these societies are actually paid to *in-work families*.

overwhelming – it is endlessly repeated, constantly bemoaned, with explicit comparisons made with the (ostensibly much poorer) places from which they have moved. Women in charge of meals and general budgeting are particularly vociferous: yes, there is more ‘money’ in towns and more ‘jobs’, but making ends meet is sometimes simply impossible. Thus in one survey in Harare in 2001, before inflation moved into surreal levels, but ten years after real urban incomes began to trend downwards, roughly half the migrants interviewed (and more in the cohort of women) judged that the urban standard of living was no higher than that in their rural areas of origin. This is why the usual ‘economic’ migration theories which focus simply on the rural – urban income gap can be extremely misleading. The cash income left after meeting basic survivalist needs is the real test and because this is far harder to measure, it is rarely measured at all. Furthermore, the macro-economic approach about the benefits of urbanization which emphasises the greater share of GDP ‘generated’ by urban areas in SSA as though this in itself encourages net in-migration misses the point that the monetization of, and increases in the costs of, for example, urban housing, water and transport – all counted as ‘positive’ for urban GDP - are disincentives for most rural-urban migrants. Box 2 provides a detailed example of the budgetary issues facing families in Lusaka in the early 21st century.

Box 2: Urban budgets in Lusaka

Important urban budget research is conducted by the Jesuit Centre for Theological Reflection (JCTR) in Lusaka. At first the JCTR published regularly updated food budgets - the amount of money needed to buy basic food items for a family of six which would keep them healthy. The diet is entirely in accordance with local norms, with mealie meal (maize) being by far the largest item. The JCTR has since 2002 updated this with necessary other costs incurred in town, of which *rent* is by far the most significant. Other costs include items like soap, clothes and transport to work. The basic needs basket information is regularly used by trade unions when lobbying for wage increases. The figures speak for themselves.

In the first quarter of 2002 the basic food basket alone cost K324,510 per month. If the small amount of meat, eggs and dry fish is removed from the food budget it reduced to K278,110 - leaving a diet seriously deficient in protein. The monthly 'take home pay' of a selection of *formal* sector workers could not cover this cost. For example, the lowest paid secretaries, nurses and police officers at the time earned between K120,000 to K270,000. Even those at the top of their scales only earned K300,000 to K370,000. Primary school teachers could earn between K280,000 and K309,000 and thus even they could not afford the basic urban food basket. But once other basic urban costs were added the minimum urban costs rose to K823,510. Even secondary school teachers at the top of their scale only earned 60% of this amount. While this is startling enough, in fact the JCTR's budget data are related only to the urban minority - those in the urban formal sector. In fact the majority of the urban population works in the informal sector where incomes will generally be even lower. The lowest paid security guards recorded by the JCTR on K40,000 per month in 2002 are better surrogates for many in this sector (JCTR 2002). Surveys done in markets in 2004, when the basic needs basket costs had increased by a further 25%, found that in Lusaka's largest market, Soweto, 64% of customers were earning under K100,000 per month (Government of Republic of Zambia/National Authorising Officer of the European Development Fund/Ministry of Finance and National Planning 2004a). The incentives to reduce housing costs by living in unplanned, insecure housing are obvious. The reasons why some urban residents were having to leave town is also clear.

Source: see reference list.

This is why urbanization slowed in the 1980s and 1990s and into the 2000s in many African countries. In SSA a key cause of this, described and analysed in detail in my 2010 book, *Circular Migration in Zimbabwe and Contemporary sub-Saharan Africa*, but first analysed in an article fifteen years before (Potts 1995), has been changing patterns of migration. For all the reasons theorized in migration and urban studies – the rural-urban income gap, the need to earn cash, the existence of migrant networks, the aspirations of the educated - rural-urban migration has continued to occur. However, because real urban incomes were falling by the end of the 1970s, and then fell dramatically under structural adjustment, urban livelihoods became very vulnerable. The incidence of absolute urban poverty greatly increased. The structural economic conditions for establishing a viable urban livelihood for a migrant urban family had changed and this was translated into some falls in in-migration and significant increases in out-migration. Essentially many migrants had to leave cities after a time because they could not survive, a pattern which can be termed ‘circular migration’ if rural migrants then re-establish livelihoods in rural areas. The nature of land tenure in many parts of rural SSA facilitates these patterns and allows many people, even if reluctantly, to move into natural resource-based work if urban livelihoods become too insecure. Of course this is a generalized picture because many adaptations occurred in urban livelihoods as people (including the urban-born) tried to make ends meet and these helped to mediate the falls in real incomes. The main ones were urban agriculture, mass informalization of employment, and strengthening rural-urban linkages (eg by bringing in food from rural farms; (re)-dividing families with dependents sent to stay in cheaper rural homesteads) (Potts 1997).

The surge in urban-rural migration is an element of the last adaptation. The others help to retain people in towns but while they are a testimony to the ingenuity and determination (and frequently the entrepreneurialism) of African urban residents, they can also be seen as creating precisely the opposite conditions in the urban economy and labour market to those theorized in regard to the purpose and benefits of urbanization. As discussed, many of these depend to a significant extent on a presumption of specialization of labour which allows greater efficiency and higher value-added. The necessary adaptations to SSA’s urban economic decline, without which urbanization must have slowed even more, have undone specialization. In 1993 the economists John Weeks and Vali Jamal’s book, *Africa Misunderstood: or Whatever Happened to the Rural-Urban Income Gap*, provided empirical analysis of the urban income problems for countries from Somalia to Sierra Leone, from Zambia to Uganda. They demonstrated that real urban average incomes or minimum wages had sometimes fallen by as much as 90% since the 1970s: a situation that makes the current gradual slide in most people’s incomes in the wealthy parts of the world pale by comparison. The sheer scale of the urban income fall is too rarely taken into account when analysing subsequent urbanization in

SSA. City economies were transformed. The desperate changes created desperate livelihoods. And as specifically noted, this meant the theorized structural benefits of urban economies were disappearing as there was a:

‘regression to a primordial stage of society in which the division of labour begins to break down, and the former wage-earning class evolves into a 'trader-cum-wage-earner-cum-shamba [small farm] class' (Jamal and Weeks 1993: 72).

South Africa has also continued to experience some circular migration. Despite the many obvious differences between it and most of the rest of SSA, the reasons for this are ultimately similar – a lack of urban formal employment in relation to demand for jobs and, for many, a lack of long-term economic security in the urban environment. Yet in South Africa circular migration and its dampening effect on urban growth are still seen to some extent as something to be explained away rather than as a predictable and rational outcome of urbanization under recent economic and social conditions. In 2006, for example, the South African City Network (SACN) argued that the persistence of such patterns could possibly be typified as “‘underurbanization”: a lack of full investment by rural in-migrants in their new urban lives’ (SACN 2004a: 40). From the perspective of the rest of SSA, this seems an extraordinary assessment since their longer history of (legally) unrestricted migration has demonstrated the eagerness of in-migrants to work in towns and settle with their families, *if and when urban income levels make this possible*.

4.1 Urban economies, migrants, household composition and housing

It is worth noting that one further ‘adaptation’ to the weakness of urban livelihoods and incomes was major expansion of informal housing of various types in nearly all SSA towns. It was common enough before the 1980s (as it had become in many parts of the less developed world) but the absolute requirement for many to obtain housing which simply had to cost *very much less* than any unsubsidised, market-rate, *planned, legal* housing has driven the contemporary housing outcomes so evident across SSA (including South Africa). The vast amounts of research and literature on this issue circles endlessly around the core problematic which is identical to that identified earlier on for the cities of Europe and North America: millions of poor families cannot ‘buy’ (ie afford) legal, planned housing in towns. State intervention occurs in SSA, just as elsewhere, but its impact has increasingly been at the margins. Even the most efficient policy, which is to upgrade informal settlements *in situ*, has its downside because legalizing individual tenure, in lines with the unspoken tenets of capitalist cities, tends immediately to increase the value of the houses, thereby driving out many of the poor (to another informal settlement or possibly out of the city). In European cities this would be called ‘gentrification’ and that there are some parallels is beginning to register in urban studies’ circles.

The links between urban housing outcomes and urban economies and labour markets in SSA are too rarely made explicitly. Often the research and literature on these topics are separate. As explained earlier, the formality of the housing markets of wealthy cities in the Global North means that ‘single’ migrants often fill certain low-paid employment categories. In post-colonial SSA in the 1960s and 1970s families swiftly moved to join migrant members in towns, and my own research in Harare in the 1980s found precisely the same pattern. As should be expected, most people wanted to live as family units if possible. However when this becomes impossible (eg real incomes fall), household composition can change again especially in cities where housing costs, even in informal settlements (eg in Nairobi), are a major proportion of household budgets. Families can (re)divide (often between rural and urban areas but also within the city); in the worst cases households entirely collapse and disperse (the destitution instigating this being rarely captured in surveys given that the household tends to be the unit of study and such households, by definition, do not exist).

The geographical outcomes of these processes are shaped by local context. In South Africa, for example, it is frequently noted that housing subsidies may be used to house families in ‘inconvenient’ and seemingly uneconomic locations, far from employment, while a working family member will also be renting ‘single’ accommodation in the city. The parallels with the apartheid migrant labour system are obvious and the ‘uneconomic locations’ can be legacies of apartheid such as former ‘dumping grounds’/ rural slums (eg Winterveld, Botshabelo). The specifics of the South African situation - its housing subsidy programme, its history of forced family separation, the existence of rural slums – should not, however, disguise the parallels with the rest of SSA or, indeed, common urban processes worldwide. Sometimes the question is raised of whether (South) African

families prefer these patterns of spatial separation but this reverses causation (let alone ignores the struggle against apartheid!).¹² The question that should be asked in any urban situation is, would you want to live with your spouse and children in the big city if you could afford to rent enough rooms and feed them (rather than would you want them to join you in the shelter you are currently in)?

A topical example of these urbanization and migration issues, which provides a useful comparative standpoint from which to reflect on patterns in SSA, is changing patterns of internal migration in China. As is well known, a significant element of the urban labour force which has created China's surge in economic growth is a so-called 'floating' population (*liudong renkou*) of workers who do not have *hukou* (registration) rights in the urban areas in which they work. Recent estimates are that there are 220 million in this category (Miller 2012). Many are housed in hostel-type accommodation. Many are 'single' migrants because of these housing constraints; in any case children generally have to stay in or return to villages as they have no rights to health and education outside their place of registration. The parallels with apartheid South Africa's influx controls are obvious although the underlying political and economic origins were different. Circular migration is very prevalent. However, the rest of the example departs significantly from South African or any SSA experience. The huge success of China's coastal Special Economic Zones which includes Shenzhen where Foxconn has one factory site employing 300,000 workers had led to some shortages of this sort of labour supply (labour unrest has also played a part) and significant rises in real pay of 20% or more a year in recent times. Much is made of how this might lead to 'Chinese' manufacturing jobs moving to other countries. But many factories are simply opening up in more central cities where there is still plenty of labour. Furthermore, this suits many migrants who can then be nearer to their families. After the 2008 downturn when many 'floating' migrants were laid off and returned home, a significant proportion never returned, choosing to find work in towns closer to their place of origin. Two-thirds of Chinese migrants who go further than their local urban areas now find work within their home province and some inland cities are encouraging this by offering farmers *hukou* rights which will give them access to family housing and social welfare support (*ibid*).

The Chinese situation is almost like a model of migration and urban theory unfolding before us. But its relevance to SSA urban economies, despite the disturbing parallels with the apartheid migrant labour system, are very limited for the simple reason that China's urbanization is based on millions of jobs in manufacturing industries and the virtuous circles of specialization of labour, agglomeration economies, economies of scale etc. There is strong demand for labour in steady, formal sector jobs which pay regular incomes. In 2012 over 12 million new jobs were created, 33% in excess of government targets and the share of industrial output in GDP (45.9% in first quarter of 2013) is not yet falling, despite growth in the service sector (Yueh 2013). Labour may be cheap and conditions in some jobs grim but pay rates are not so low that workers must adopt survivalist techniques to get to the end of the week, as so many in the urban workforce in

¹² The frequently bizarre reasoning in such explanations for 'families divided' which were constantly expressed by colonial authorities throughout SSA (even when they had explicitly set up restrictions on family migration, including holding down wages) and the evidence that urban migrants in Africa are no different from those anywhere else in the world in their aspirations are detailed in Chapter 8 of *Circular Migration*.

SSA must. Formal enterprises with steady wage-paying jobs for skilled or semi-skilled workers are the key to significant increases in consumption and the capacity to afford the monetary demands of a better serviced, healthier, urban environment. This is what urban economic *development* means. They also underpin the changes required for sustained urban-based economic growth.

5. GDP growth in SSA and urban job prospects: identifying migrant choices

As already noted there are misconceptions about the current links between the recent high GDP growth in many SSA countries and urbanization there. The problem is that much of the employment associated with this growth is not urban-based because the driving forces are natural resources. Thus we need to think closely about the location of production and *where* value is being added. If it is in enclave mineral sites, for example, then the questions for urban economies are whether this has multiplier effects for enterprises and job growth in towns, or are the effects limited except inasmuch as accumulated surpluses fuel the consumption of the super-rich? If the key productive sectors are in agriculture, then which districts are thriving and how are local towns benefitting from their related central place functions? Ultimately economies are based on people in particular places producing things.

The census data help to identify SSA's urban winners and losers in their contemporary liberalized economies. The most obvious factor that emerges is that the really significant driver of rapid urban population growth beyond what would be expected due to natural increase (and in the absence of conflict-driven in-migration) and the attainment of high urbanization levels today is oil: the winners are cities like Douala and Yaounde in Cameroon, the oil towns in the Niger Delta in Nigeria like Warri, Owerri and Port Harcourt, and by most accounts Luanda in Angola although the lack of a census makes it hard to know its real size. The small oil-rich countries of Gabon and Republic of Congo are the most highly urbanized sub-Saharan African countries (excluding atypical Djibouti) according to UN Habitat and their main towns of Libreville, Brazzaville and Pointe Noire are highly dependent on oil. Cameroon has recently become over 50% urbanized too. Since oil is now being found all over sub-Saharan Africa this may be a pointer for future increases in urban economic development in other countries like Uganda, Ghana and Kenya. The impact in Ghana is already occurring.

It is very clear from macro-economic statistics that sub-Saharan Africa oil-exporters have much more positive financial positions than the rest of the region. They receive by far the highest absolute FDI inflows and their current accounts are in surplus and improving (AfDB 2012, p 32). By contrast oil-importers have current account deficits which were predicted to remain at around 6% of GDP in 2012/13 and their terms of trade have weakened so national income growth is less than GDP growth. This sharp division between oil-importers and oil-exporters is a more fundamental explanation of many economic differences in sub-Saharan Africa than simple GDP growth figures and has huge implications for countries' general prospects and urban livelihoods. Although oil-rich countries are often characterized by extreme inequality, the sheer amount of money

that does make its way into the towns (licitly or illicitly) has a multiplier effect for consumption and services, and some associated industrial and infrastructural development is also inevitable, if often rather limited. It does not, however, alleviate the problems of competitiveness for diversified industry and both Gabon and Congo, for example, are currently developing special economic zones (AfDB 2012). The truth of the ‘oil multiplier effect’ on urban livelihoods was shown in 2012 in Sudan. The secession of South Sudan meant it lost 75% of its oil revenues, its GDP growth dropped by half, and within a year austerity measures were introduced reducing subsidies on fuel prices. This caused riots in Khartoum.

Other towns which have clearly had strong net in-migration indicating stronger than average urban livelihoods and incomes (even if in the informal sector) are Kumasi in Ghana and Arusha in Tanzania which both perform a portfolio of central place functions for strong local regional economies – but in both cases again the underlying productive forces are natural resource-based (eg gold and cocoa; cash crops and wildlife tourism).

In post-apartheid South Africa the census data increasingly indicate that Gauteng’s urban conurbation is driving urbanization and net in-migration from rural areas. As SA is over 50% urban its migration patterns are more complex, involving significant inter-urban flows, evidently. The 1996 and 2001 censuses showed that of South Africa’s nine largest cities, only those in Gauteng Province experienced strong net in-migration. Johannesburg and Ekurhuleni municipalities recorded annual average rates of more than 4% per year from 1996 to 2001, compared to the national population growth rate of 2%. Cape Town grew more moderately, and Durban less fast than Cape Town. The other four main cities grew very slowly, at rates between 0.5% and 1.4%, well below those predicted and national growth rates (SACN 2004a; Freund 2007). Thus strong net in-migration for metropolitan areas from former homelands for this period was very much directed to Gauteng, and then the next two municipalities, since the others must have experienced overall net out-migration. Buffalo City had net out-migration both to other towns and to ‘non-city South Africa’, which would largely be defined as circular migration (SACN 2004b). Similar major variation in the growth of smaller municipalities was recorded for this period, often reflecting sub-regional economic developments such as declines in mining or major transport developments (Freund 2007). Several centres lost population overall. The recent release of the 2011 census data indicates that of the largest metropolitan areas, Pretoria grew fastest at 3.2% per year on average compared to the national rate of 1.45%; followed by Johannesburg at 2.7% and Cape Town at 2.6%. However Durban lost population share, growing at only 1.1%. In the top ten cities, four others – Port Elizabeth, East London, Vereeniging and Pietermaritzburg - also lost population share, while Bloemfontein grew at the same rate as the national population. Of the 31 largest towns, half (16) actually lost population share and four experienced no relative growth. This sort of analysis is a starting point for identifying the relative economic attractiveness of the country’s urban areas for migrants which is a proxy for the cities’ economic success and, above all, their job creation record.

6. Urban welfare and urban economies in SSA

If it is perceived that higher levels of permanent in-migration and urbanization are beneficial for SSA economies then, borrowing terminology from rural development arenas, policies need to make urban livelihoods more ‘resilient’ and less ‘vulnerable’. More work in better-paying jobs which can allow families to settle (‘decent’ work) is the best answer but as already argued, that is a tall order for most SSA cities. Can the state mediate the situation as in the cities of the Global North? In most countries some improvements could no doubt be achieved, but achieving the changes in politics needed to allocate state resources to these ends probably would not. Even meeting Millenium Development Goals’ objectives in urban water, for example, has proved unachievable for most towns. But without some interventions to smooth out shocks in urban livelihoods (eg illness, unemployment), survivalist adaptations or out-migration will remain necessary. These undermine the local multiplier effects of the urban population. They also undermine educational outcomes because so many youths leave school too early. In Zimbabwe in the successful 1980s many youths (18-24) in migrant households were in education but after structural adjustment, very few were and most unmarried youths reported themselves as unemployed.

The so-called informal sector plays a huge role in making urban living more resilient in developing countries. For decades my work has explained that the problem of African cities is not unemployment – this is a luxury open only to those with no dependents and family support. The unemployment rates bandied about are nonsensical in the absence of some sort of welfare. This has now, at last, been accepted by the African Development Bank (AfDB), whose 2012 African Economic Outlook report focused on youth unemployment. For the first time it recognized not only that many sub-Saharan Africa countries and towns have *low* unemployment rates but also how this is associated with the desperate survivalist need to work and earn even tiny incomes in highly insecure social and economic environments (AfDB 2012). In these circumstances low unemployment becomes an indicator of poverty rather than opportunity. Indeed, the AfDB found that ‘the unemployed are less likely to suffer from poverty than many self-employed or underemployed’ (p 102).

The problem is that so many informal sector jobs do not conform with the concept of ‘decent’ work. The ILO and many NGOs and CBOs now tend to conceptualise this in terms of conditions which give workers access to proper health care and pensions etc – this is seen as the ‘formal’ sector.¹³ This approach is often evident in South African urban analyses. All these conditions are desirable and developmental but whether they denote formality is debatable. Throughout the Global North there is a huge shift of workers, particularly the young and migrants, into short-term or casualised work without ‘benefits’. These are all perfectly legal jobs, recognized in official statistics, with tax paid and thus cannot be denoted as informal by any stretching of the, admittedly complex, characterizations of that sector. The concept of ‘decent’ urban work could be related instead to income levels needed to sustain families in legal urban accommodation.

¹³ An alternative framing is to describe such work where no formal social protection (eg pensions, sick pay etc) is given to employees as ‘vulnerable’ and to acknowledge that both formal and informal workers can fall into this category. ILO data on Global Employment Trends show that 76% of workers were in such employment in SSA in 2009. In addition 63% of SSA *workers* were estimated to earn less than \$1.25 per day and 84% less than \$2 per day (Chitonge 2012).

As already discussed, this is not achievable in the wealthy cities of the world where there is not much of an informal sector. There the 'gap' between low incomes and sustainability in the urban milieu is made up by state intervention in housing, in particular, but also in income support. The impact on livelihoods, or more specifically poverty, is captured by Baulch's concept of a pyramid of assets. This makes clear the extent to which measuring private incomes alone (the apex of the pyramid) cannot begin to explain the massive differences in welfare and livelihood resilience between different parts of the world. Leaving aside most of the elements included in this model such as common property regimes (although these clearly influence the possibilities of urban-rural migration), the key 'layer' is that of 'public' assets. These transform the debate and the analysis of 'poverty'. For example, if the state provides or subsidises rental housing, and state educational facilities are reasonably adequate, expenditure on housing and education is reduced so that families will not face poverty as they would were they in another country or city where such 'assets' are not available.

In the urban context of SSA, only in South Africa, Botswana and Namibia has the state as yet really intervened in ways which affect the geographical outcomes of poverty and unemployment via pensions, child grants, etc. But, as discussed earlier, housing subsidies in South Africa can perpetuate family division as they are too low, and not for rented accommodation. The fixation across SSA on home ownership in housing policy is anomalous when seen from the perspective of comparative urban studies. As would be expected, the provision of an element of social security in South Africa translates into much higher unemployment rates in its cities as it mitigates the need to resort to some of the most desperate survivalist informal work found in cities further North. The AfDB report discussed above also found that in urban North Africa there was much higher unemployment because of higher education attainment. This may appear paradoxical but makes sense because the educated youth aspire to the sorts of jobs which are in short supply. The phenomenon does however point to the problem that, although lack of human capital is often stated to be a key constraint for urban development in Africa, and there are obvious structural skill shortages in most, lack of actual employment opportunities has to be understood to be the key constraint.

In Brazil urban poverty has been transformed by the *bolsa familia* – a family subsidy conditional on school attendance. In China, excluding the much exploited 'floating' population of migrants, urban families with full *hukou* rights have significant entitlements to social security from their local urban governments. Nearly all of them live in 'modern housing units with private kitchens and bathrooms' (Miller 2012: 18). This is very costly for the local state and Miller argues convincingly that the model may only be sustainable if the central state begins to contribute soon. This is probably manageable in China given the state's positive cash balances. The central government planned to build 36 million social housing units in urban China between 2011 and 2016, including millions of rental units.

7. Urban economic policies

In migration studies there is a divide between those who favour structural explanations for migration and those who favour agency, who prefer to focus on the decisions and networks of the migrants. As someone who is convinced of the greater explanatory power of structural conditions as influences over migration, it is not surprising that my views on what can be done to improve employment for young people in African cities, and what governments can do to induce private sector enterprises with strong potential to employ semi-skilled people in 'decent' work, are somewhat pessimistic.

My view is that the decades of neo-liberal globalization have succeeded in doing precisely what was intended: limiting the potential of the state to determine where economic activity should occur, and promoting the profit-driven decisions of private companies. The world's contemporary economic geography is driven by those decisions both within and between countries and cities. SSA's cities, in general, have been major losers, but their natural resource sectors (at least in this century, and so far) have been winners. There is nothing peculiar to SSA about this and thinking that is the case means that there is too much 'hope' that overcoming this or that 'African' problem will shift the rules and allow some sort of breakthrough. But when one considers the fate of cities in the Global North, from Liverpool to Detroit, where there has been de-industrialisation and mass out-migration leading to absolute population decline, this has to make one pause for thought. These things have happened in the absence of all the 'African' factors put forward as discouraging urban employment creation such as poor infrastructure, institutions and corruption.

Africa's cities do have the advantage, of course, of much cheaper (and younger) labour. However the current situation is that many urban people are so poor that some of the virtuous circles of urbanization are rather limited. And currently youth unemployment is what worries many policy makers, so the demography is a double-edged sword. Things can improve: the Copperbelt towns are now re-urbanizing after decades of losing population share due to the high copper price although Zambia is still less urbanized than it was in 1980. Many individual towns are attracting migrants because of new mining investment, such as Tete in Mozambique. The whole east coast of Tanzania and Mozambique will surely see stronger urbanization as the major offshore gas finds come onstream. Ghana is already seeing the urbanizing benefits of its oil in ports like Tekoradi. If there is money to be made from oil, gas and mines, investment does follow as shown even in the truly discouraging circumstances of eastern Congo. All this creates some employment and has some multiplier effects. It does not, however, tend to create the scale of employment effects through agglomeration economies and backward and forward linkages that manufacturing investment creates.

Outright state manipulation of the rules of comparative advantage by attempting to re-industrialise behind tariff barriers is not possible. Manipulating other factors by providing cheap state-backed finance, energy, water and land is commonplace in China. SEZs provide these sorts of incentives although if they also join in the 'race to the bottom' in terms of pay and conditions, this undoes some of the multiplier effects of creating employment.

Poorer SSA countries can try to take advantage of all and every loophole in WTO conditions available to the most disadvantaged producers. Lesotho has managed to use AGOA to produce some urban employment in Maseru, for example. However, this is not possible for South Africa which is excluded from these arrangements.

A strong focus on vocational and technical training and apprenticeships would help many young people as companies across Africa frequently complain of shortages of these skills.

Job creation can be done at the margins, but it is costly. Some SSA countries could afford it but the ones with money to invest are too often the ones which are the most unequal and these in turn are often oil regimes.

States can ameliorate urban costs of living in many ways, as discussed, and thereby increase the permanence of in-migration and the rate of urbanization.

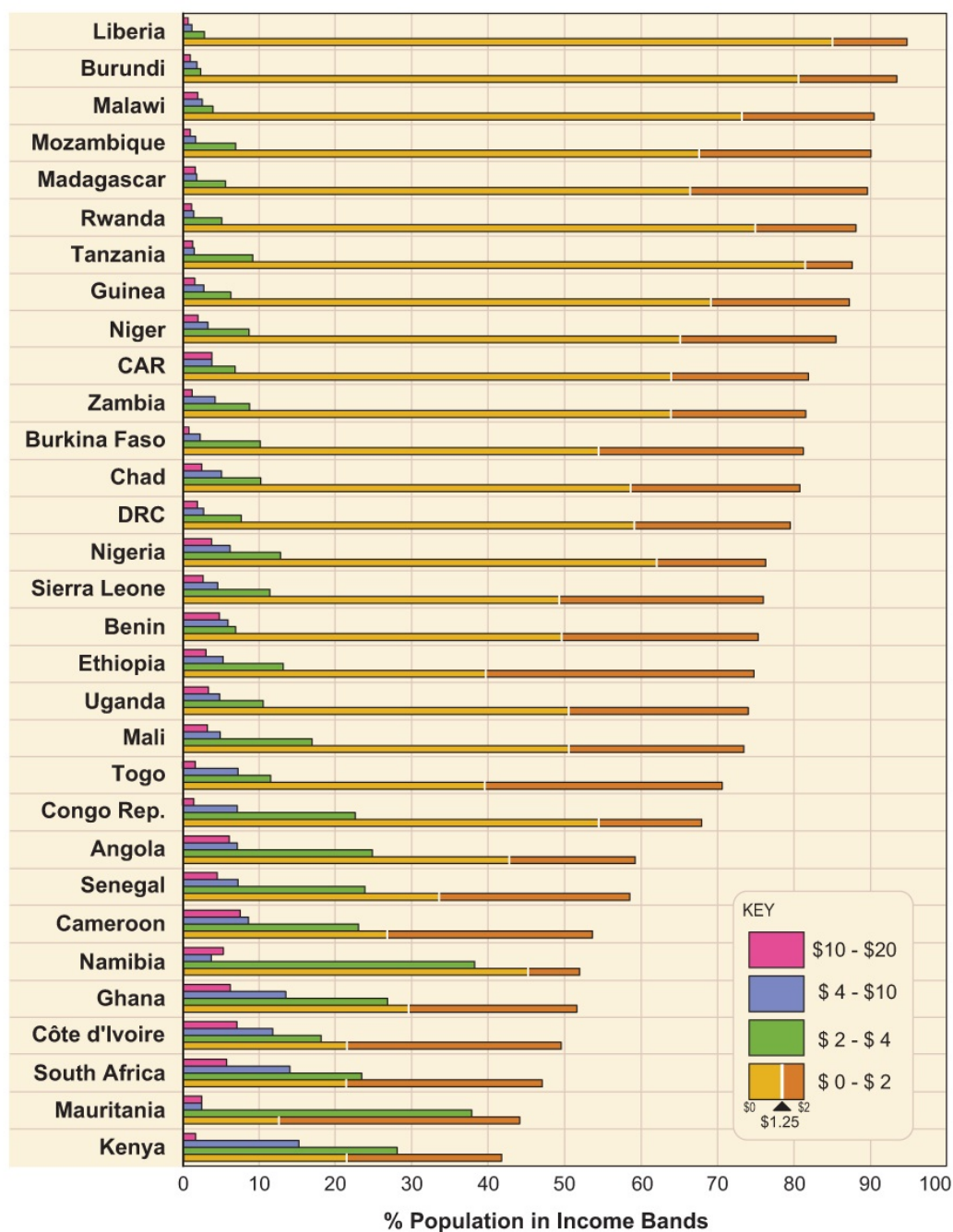


Figure 1. SSA countries by income bands. Data used are derived from the Africa Development Bank's 2011 publication on the rise of the African middle classes. They however show a very different picture from that proposed in that publication.

Figure 2: SSA countries which have experienced periods of counter-urbanization

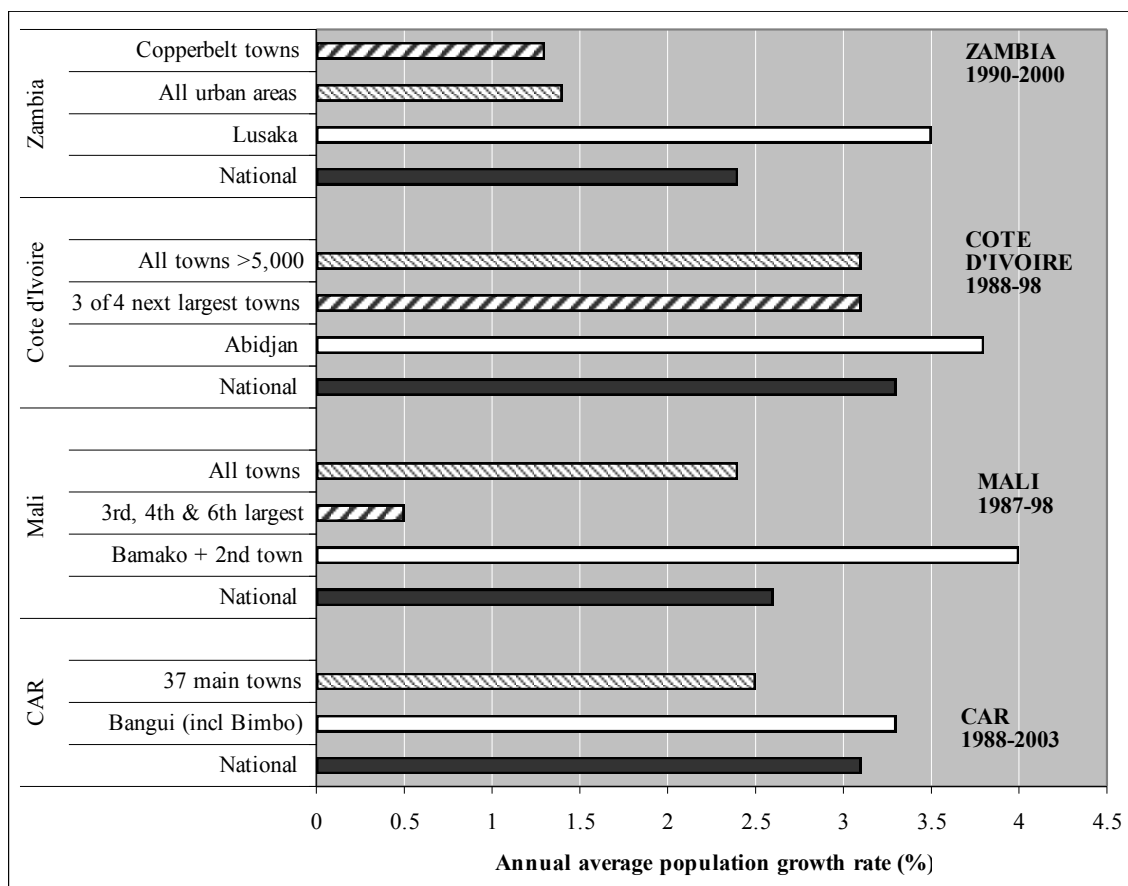


Figure 3: SSA countries which have experienced negligible urbanization

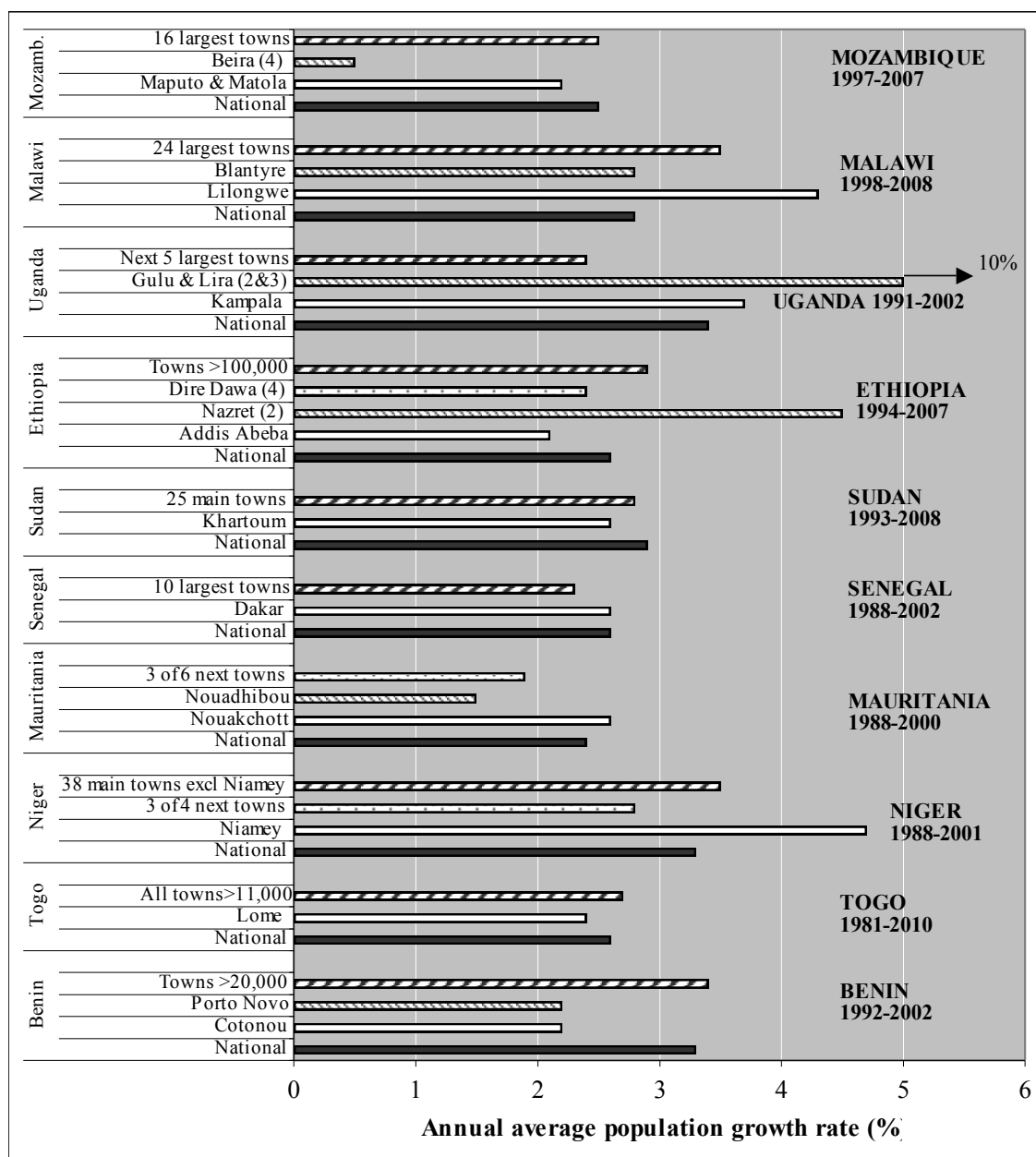
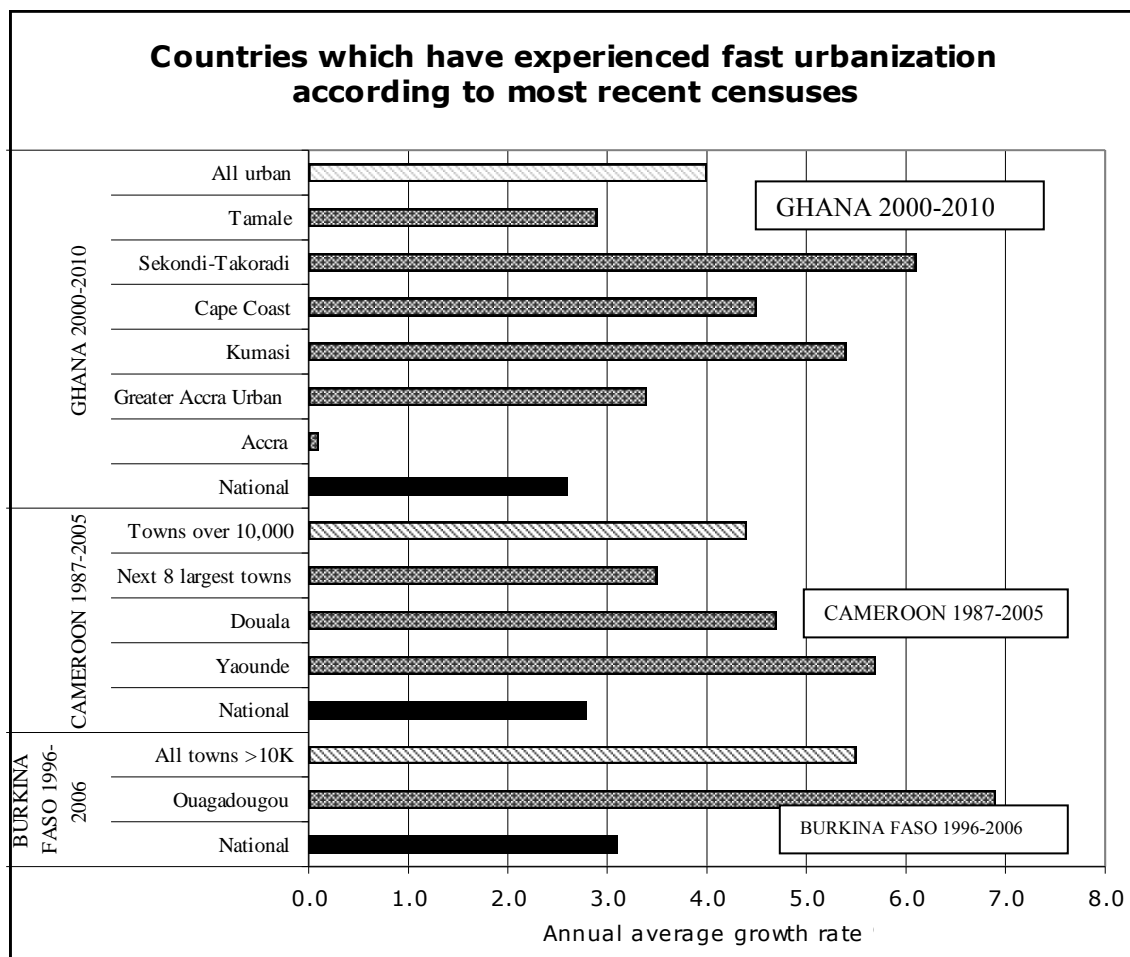


Figure 4: SSA countries which have experienced recent rapid urbanization



References:

- Africa Development Bank 2011. *The middle of the pyramid: dynamics of the middle class in Africa*. Market Brief. April 20.
- Africa Frontiers Forum 2012. Publicity for seminar on ‘Will Special Economic Zones rescue manufacturing in South African and the region?’
- African Development Bank 2012. *African Economic Outlook 2012*, African Development Bank.
- Ascensao, E. 2010. Informal urbanization in a post-colonial context – the lived experience of the architecture of shanty town dwellings in Lisbon, Portugal. PhD thesis, Geography Department, King’s College London.
- Champion, A. and G. Hugo (eds). 2004. *New Forms of Urbanization: Beyond the Urban-Rural Dichotomy*, Aldershot: Ashgate.
- Chitonge, H. (2012). Social Protection Challenges in Sub-Saharan Africa: Rethinking Regimes and Commitment. *African Studies*, 71(3), 323-345.
- Guardian*. 2013. Benefits in Britain: separating the facts from the fiction. April 6.
- Hammond, E. 2013. Prudential to fill gap in housing market. *Financial Times* April 9.
- Harding, A. 2012. A different take on Africa’s year ahead... BBC News Africa. 18.1.2012. <http://www.bbc.co.uk/news/world-africa-16608343>
- ILO 2008. *Cambodian Garment Industry: Challenges and Opportunities*, ILO
- ILO 2010. *Labour and Social Trends in Cambodia 2010*, National Institute of Statistics, Ministry of Planning. Phnom Penh, Cambodia
- ILO, 2011 Better Factories Cambodia ; Kingdom of Cambodia. Twenty fifth synthesis report on working conditions in Cambodia's garment sector, Geneva, ILO. <http://www.betterfactories.org/content/documents/1/Synthesis%20Report%2027th%20%28En%29.pdf>
- Jamal, V. and J. Weeks, 1993. *Africa Misunderstood: or Whatever Happened to the Rural-Urban Gap?*, London: Macmillan.
- Jobson, E. 2013. Chinese investment creates a new global hub in Ethiopia. *The Africa Report*. June 4. <http://www.theafricareport.com/East-Horn-Africa/chinese-investment-creates-a-new-global-hub-in-ethiopia.html>
- Miller, T. 2010. *China’s Urban Billion: the story behind the biggest migration in human history*. London and New York, Zed.
- Muzzini, E., and Lindeboom, W. (2008). *The Urban Transition in Tanzania: Building the Empirical Base for Policy Dialogue*. Washington DC: World Bank.
- Potts, D. 1995. “‘Shall We Go Home?’ Increasing Urban Poverty in African Cities and Migration Processes’, *Geographical Journal*, 161, 3: 245–264.
- Potts, D. 1997. ‘Urban Lives: Adopting New Strategies and Adapting Rural Links’, in C.

Rakodi (ed.), *The Urban Challenge in Africa: Growth and Management of its Large Cities*, Tokyo: United Nations University Press: 447–494.

Potts, D. 2010. *Circular migration in Zimbabwe and contemporary sub-Saharan Africa* (James Currey, Oxford; Cape Town, University of Cape Town Press).

Potts, D. (2012). Challenging the myths of urban dynamics in Sub-Saharan Africa: the evidence from Nigeria. *World Development*, 40, 7, 1382–1393

Potts, D. 2013. Urban economies, urban livelihoods and natural resource-based economic growth in sub-Saharan Africa: the constraints of a liberalized world economy, *Local Economy*, 28, 2, pp. 168 - 185.

Stephens, P. 2012. The great middle class power grab. *Financial Times*, April 27.

Sumner, A. 2012. Where do the Poor Live?, *World Development* 40.5, 865- 87

Todaro, M. 1971. 'Income Expectations, Rural-Urban Migration and Employment in Africa', *International Labour Review*, 104: 387–413.

United Republic of Tanzania, 2008. *Tanga Regional Profile*. National Bureau of Statistics and Tanga Regional Commissioner's Office

World Bank 2009. *Sustaining rapid growth in a challenging environment: Cambodia, country Economic Memorandum. Part 1: Lessons from a Decade of Rapid Growth*, World Bank.

siteresources.worldbank.org/INTCAMBODIA/.../kh_growth_report2009part1.pdf

World Bank, 2011. *Kenya Economic Update 4: Turning the tide in turbulent times: Making the most of Kenya's demographic change and rapid urbanization*. Poverty Reduction and Economic Management Unit Africa Region.

World Economic Forum, the World Bank and the African Development Bank 2011. *The Africa Competitiveness Report*, World Economic Forum 2011

Yueh, L. 2013. The Chinese balancing act. BBC Business News.

<http://www.bbc.co.uk/news/business-22489446>

Boxes:

Sources for Box 1: based on data in Shelter, 2011. *Research Report Shelter Private Rent Watch : Report one: Analysis of local rent levels and affordability*. Shelter (UK).

[http://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/policy_library_folder/private_rent_watch_report_1 -](http://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/policy_library_folder/private_rent_watch_report_1_-_analysis_of_local_rent_levels_and_affordability)

[_analysis of local rent levels and affordability](http://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/policy_library_folder/private_rent_watch_report_1_-_analysis_of_local_rent_levels_and_affordability); Reynolds, L. 2011. *Private rent watch report 2 - London Rent Watch*. Shelter (UK).

[http://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/policy_library_folder/private_rent_watch_report_2 - london rent watch](http://england.shelter.org.uk/professional_resources/policy_and_research/policy_library/policy_library_folder/private_rent_watch_report_2_-_london_rent_watch); Clarke, E.

2012. A minimum wage pays £10,740 a year. It now costs £10,248 to rent a home and heat it. Labour Left. <http://www.labourleft.co.uk/a-minimum-wage-pays-10740-a-year-it-now-costs-10248-to-rent-a-home-heat-it/>

Source for Box 2 Porter, G, Tanya Bowyer-Bower, **Deborah Potts**, Fergus Lyon, Alhaji A. A. Adepetu, John Olaniyan, Hyacinth Daloeng, Chileshe Mulenga, Sampa Mumba

(2004) *Improving market institutions and urban food supplies for the urban poor: a comparative study of Nigeria and Zambia: scoping phase*. R8330 SCOPING REVIEW INCEPTION REPORT TO DFID, May 2004.