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**Urban livelihoods and urbanization trends in Africa:
winners and losers?**

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Urban livelihoods and urbanization trends in Africa: winners and losers?

There is much speculation today that urban economies in sub-Saharan Africa are greatly improving and that the region may be on the brink of an upsurge in economic development. However, in terms of a broad, multi-dimensional, understanding of the term 'development', into which social justice must be factored, there are real concerns about whether the undoubted improvements in GDP growth in many countries are strongly connected to *urban-located* investment and job growth. Many African countries remain poorly placed, in terms of global comparative advantage, to attract significant foreign investment except in primary sectors. The extreme inequality in the ways in which the benefits of current growth are being shared in many countries is another huge problem for the creation of urban employment growth. This paper relates these issues to evidence about levels of economic (in)security in many African cities, and to how these have been reflected in a slowing in the rate of urbanization in many countries. It also reviews the evidence about the distribution of incomes in sub-Saharan Africa, and argues that the development of middle classes with their associated higher consumption patterns, is minimal as yet. Finally it reflects on the links, both current and prospective, between internal economic stimuli from, for example, natural-resource based activities including mining and agriculture, and African urban economic development and growth.

Introduction

The past decade has seen higher rates of annual GDP growth in many sub-Saharan Africa countries and many increasingly positive reports about the region's economic prospects (eg Mckinsey Global Institute 2010). These include the view that there is a burgeoning middle class (Africa Development Bank 2011) and that rapid urbanization is occurring. These factors are obviously of much interest to large corporations worldwide seeking new areas in which to make profitable investments. In the context of a special journal issue on urban economic development in contemporary sub-Saharan Africa an important question is whether the interest in Africa's resurgent economies is resulting in productive investment that creates reasonably secure jobs for the mass of *urban* residents?

While there is no doubt about the rapid growth of GDP in much of sub-Saharan Africa, this paper suggests that there are serious questions to be raised about these other two factors so often linked to this: the speed of urbanization and the size of the middle class. Rigorous analysis of the data available show that neither of these are growing as presumed. Thus, there is much doubt about how African economic growth is manifesting itself *within African cities* – in terms of the urban contribution to GDP, the nature of employment, the essential issue of housing and services for the majority, and above all perhaps, urban incomes.

Economic development in many societies has tended so far to be linked with urbanization because of the sectoral economic shifts with which it is usually accompanied. In part this is because higher value-added activities tend to be associated with urban settlements because of factors like agglomeration economies, economies of scale and labour availability and also that densely settled large populations facilitate innovation and dissemination of new ideas. A shift to occupations generating more value per person increases GDP and, potentially, workers' incomes which in turn allows for higher consumption. This can reduce poverty and generates further demand for more production of goods and services: a virtuous economic circle for a capitalist economy. This is what has been occurring in China and Southeast Asia where social and economic indices are improving rapidly and millions have shifted out of poverty. However in sub-Saharan Africa national income growth need not be a good proxy for *urban* economic vigour for two key reasons.

First, much of the GDP growth experienced in sub-Saharan Africa in the 21st century has been in natural resource sectors and rather obviously these are usually not town-based (eg agriculture, forestry, fishing, offshore gas and oil). Second, as elsewhere in the world in the past 30 years, where GDP growth of significance has occurred it has tended to be

accompanied by a, distinctly non-developmental, very marked increase in income inequality which is also manifested within cities. Although many of Africa's very rich class live in African cities, the multiplier effect of their large incomes for urban employment and production is far less than if incomes were more equitably distributed. Much is made of the development of new high-class shopping malls in some African cities as evidence of positive economic change. However, a better indication of real urban economic development involving more urban residents would be rises in real incomes, increases in urban-based employment in productive sectors excluding petty trade, and indications of rising productivity in urban economic activities. All too often the presumption of positive economic change is based on the consumption profiles of the urban few, rather than the activity profiles of the many.

Economic insecurity, employment and welfare in sub-Saharan African cities: recognizing the realities

The starting point for a discussion of economic growth and urban livelihoods in sub-Saharan Africa is to recognize the extent of urban poverty, the degree to which urban economies have informalized, and the significance of the prevailing economic insecurity for the mass of urban residents. Most urban people are poor, and during the 1980s and 1990s the proportion was tending to grow. Across urban sub-Saharan Africa urban minimum or even average wages in the 1980s and 1990s reached levels which meant workers could not even feed their families let alone house, clothe or educate them (Potts 1997; for Zimbabwe see Potts 2010). In Nigeria, for example, extreme urban poverty was virtually non-existent in 1980 (at 3%) but affected about one quarter of city residents by 1996 (Fourchard 2003, citing Federal Office of Statistics, 1999).

While many accounts of African cities comment upon supposed very high levels of unemployment, in fact properly conducted household surveys find that open unemployment in most African urban areas is not nearly as high as assumed.¹ Indeed it is often quite low if measured 'properly' where unemployment refers to economically inactive adults who want to work. This is a direct result of economic insecurity and extreme poverty which have been accompanied by an *increase* in economic participation rates by urban residents as people are

¹ Exceptions are South Africa and North African countries and probably Namibia and Botswana where although unemployment data may still be contested, data gathering is better and the existence of some meaningful social grants, in contrast to most of ssaf, somewhat lessens the desperate need to generate an income, no matter how small. Education also plays a paradoxical role since more qualified young people as, for example, in North Africa, are also associated with higher unemployment (AfDB 2012) as they aspire to the sorts of jobs which are in short supply. 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, but lack of actual employment opportunities has to be understood to be the key constraint.

driven into work, usually in the informal sector, in order to survive. Urban agriculture and transfers of food from rural farms are often crucial mitigators of this extreme economic insecurity as testified by the vast literature on the topic (eg Tambwe et al 2011; Owuor 2006; Mbiba 1995; Frayne 2005; Dreschler 1997; Mlozi et al 2003). In Zimbabwe donor agencies now assume that many urban households are self-providing their food to some degree in this way. However, while this is testament to urban ingenuity, it is also a signal of the incapacity of urban economies to provide incomes that allow households even to feed themselves.

The 2012 African Economic Outlook from the African Development Bank (AfDB) focuses on youth unemployment. For the first time it is fully recognized not only that many sub-Saharan Africa countries 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). This scenario became evident in the 1990s from research in Harare, Zimbabwe, where it became clear that hardly any household heads could afford the ‘luxury’ of unemployment once structural adjustment policies were implemented, poverty deepened and formal employment opportunities dwindled (Potts 2000).

There is evidence that absolute poverty rates are now falling in many parts of urban Africa, and this is very welcome. In some ways, it was almost inevitable as, as earlier indicated, the levels reached in some towns were about as low as they could go and stagnation or improvement was the only possibility. Nonetheless most urban people remain very poor. In Nigeria, for example, a Core Welfare Indicators Survey carried out in 2006 found that 57% of urban households classified themselves as poor compared to 66% in rural areas. Not only is the difference not as marked as some might expect, but 27% of the urban poor households were food insecure compared to 22% of their rural counterparts (National Bureau of Statistics, 2006). Furthermore Nigeria’s national poverty headcount increased from 55% to 62% from 2004 to 2011 (Rice 2012). In 2001 in Harare, Zimbabwe (before hyperinflation set in) only about half of a sample of rural-urban migrants estimated that their standard of living had improved in comparison to their rural areas of origin (Potts 2006a). Measuring urban poverty is anyway problematic and the levels are frequently underestimated (Satterthwaite 2003). For example, falls in urban poverty in Zambia have occurred but the degree of improvement is contested as living costs are so poorly factored in (Chibuye 2011).

Furthermore, where poverty is falling it is rarely clear yet that this has been accompanied by significant sectoral changes in the composition of urban economies or large scale creation of productive better remunerated urban-based jobs in the formal sector in the same way that poverty reduction has been achieved in Asia. African urban livelihoods tend to remain insecure and highly informalized. These characteristics are in tension with some of the positive visions about urbanization and the expansion of urban middle classes as indicators of improving urban economies and the paper now turns to interrogate the evidence on these two issues to show that the assertions frequently made about both are poorly supported by the data.

Shifting trends in African urbanization levels and rural-urban migration: evidence and implications

After many years when census data were generally rather sporadically available for sub-Saharan Africa countries, in the past fifteen years or so many censuses have been conducted and usually some urban data have been made publicly available. Analysis of these data has shown that in the majority of mainland countries with reasonably large populations (over about 2.5 million) for which we have information, the rate at which the population is urbanizing has slowed significantly in comparison with earlier rates in the first decades of independence. Many large towns, sometimes including the capital city, have been found to be growing only a little faster than the national population. Several have grown more slowly and have thus 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. Often this is difficult to do as full lists of urban settlements are less commonly available but it is usually possible to calculate growth rates for all those over certain size thresholds (eg 5,000 or 10,000).

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).² These findings are at odds with the majority of current analyses of trends in urbanization in sub-Saharan Africa, often based on projections from past trends established in earlier decades, which usually

² It should be noted that this 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

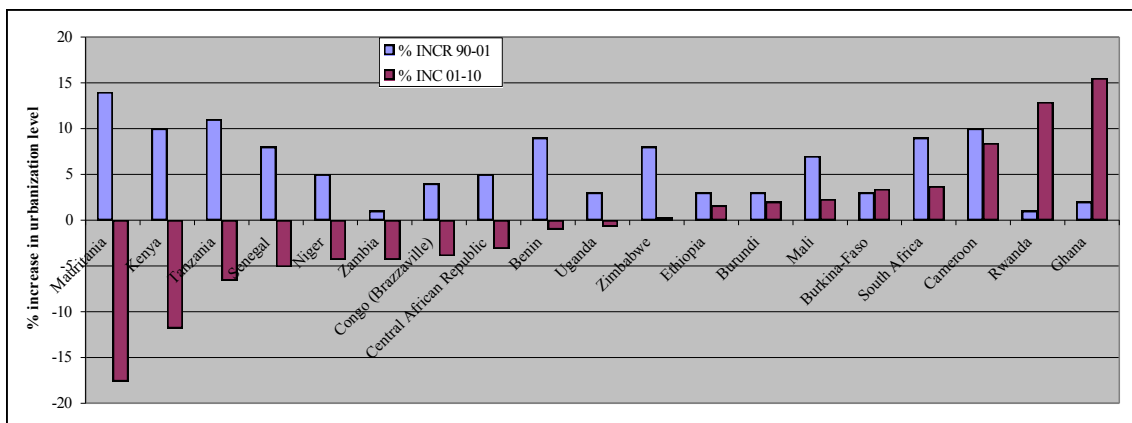
stress the speed of current urbanization, asserting that the region is the fastest urbanizing in the world. As such, there is considerable resistance to these findings. Attempts to explain them away range from concerns about the nature of the censuses to perhaps understandable reference to the apparent mismatch between the data and the visible expansion of many towns. These counter-arguments are dealt with in detail in Potts (2012a). Suffice it to say in regard to the latter point that part of the confusion arises from not recognizing that urban population growth, *per se*, is different from urbanization. The first can be fast and yet not cause the second if the national population simultaneously grows equally fast. In most countries, most towns are indeed experiencing rapid population growth by world standards, with associated major implications for required job expansion, housing, service infrastructure and the strengthening of urban planning and governance. These are all huge challenges and the 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 are the focus of the discussion here.

The scenario for many countries in sub-Saharan Africa over their latest intercensal period is that they have experienced a roughly one to two per cent increase in the urban share of their populations which means that at the national level the shift from ‘rural’ activities and village-located livelihoods has been very limited. That the common belief that urbanization has been generally rapid and faster than in other world regions are wrong is evident both from the census data and UN Habitat data sets. This last point is illustrated in Figure 1 which uses UN Habitat data on urbanization levels downloaded from their website in July 2012. The top graph depicts the percentage increase in urbanization in large mainland sub-Saharan Africa countries where there are also some census data available for cross-checking; countries such as Angola and DRC which have had no censuses for decades are excluded.

At face value these show actual counter-urbanization (falls in the urbanization level) for ten countries from 2001 to 2010, and only small rises for four others. The notable exceptions are Cameroon, Rwanda and Ghana. By contrast urbanization in most countries in Asia (bottom graph) has really been rapid: in the past two decades a much larger *proportional* shift out of rural areas has occurred than has recently been typical in Africa. This has occurred even when the growth of individual towns may have been slower in Asian urban systems; as

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.

earlier explained absolute growth is not the issue but *relative* growth. It is generally



preferable to rely on census data to track shifts in urbanization in individual countries,

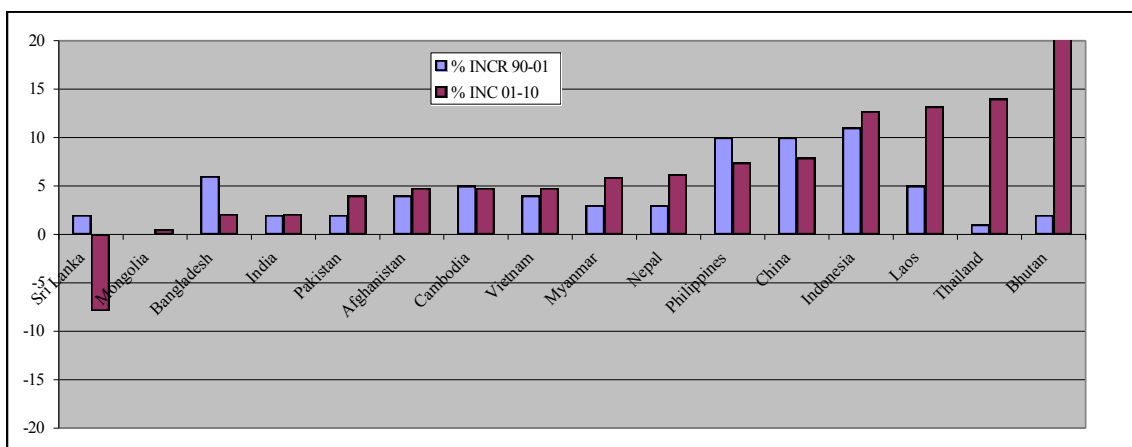


Figure 1: Comparison of changes in urbanization levels in Asian and sub-Saharan African countries (based on UN Habitat data from <http://www.unhabitat.org/stats/>)

largely to avoid inaccuracies caused by erroneous projections. This can also allow compensation to be made for obvious comparative inconsistencies which can stem from very different definitions of 'urban'. However, tackling these issues for Asian countries as well as those in sub-Saharan Africa is beyond the scope of this paper. The key objective is simply to show how these data from the international agency with the most significant remit for compiling urban data challenge the depiction of sub-Saharan Africa as the world's fastest urbanizing region, given that most of its own reports describe it as such (eg see UN Habitat 2008, 2010).

It comes as a surprise to most to find that UN Habitat's data are so at odds with the 'received wisdom'. While they are broadly supported by the census data (see Table 1), in the sense that there really has been much slower urbanization in sub-Saharan Africa than usually stated, as will be shown, in fact the rather odd pattern for countries like Mauritania, Tanzania, Kenya, Senegal and Niger whereby there is a huge difference between extremely high increases recorded for the 1990s and large reductions subsequently is due to large corrections being made in the UN dataset for 2010 after it was recognized that the 2001 levels for countries such as these had been hugely overestimated by the use of poor projections and/or misunderstandings of the data provided by African governments.³ In such cases therefore, counter-urbanization has not actually occurred and the real situation is simply that there has been very slow urbanization throughout the past 20 years. For example, failure to account for definitional changes in Kenya's census caused massive overestimation of its 'urban' population by UN Habitat. Kenya started to enumerate as urban both 'core' urban areas and 'peri-urban' areas. The latter are not, however, necessarily within urban administrative boundaries but are frequently rural areas with higher than average population densities that are 'considered to be in a transition between rural and urban' (World Bank 2011: 35). The subsequent muddle was anticipated: 'any UN or World Bank publications which use these data to calculate Kenya's total urban population in 1999 and its intercensal growth rate will be giving a totally false picture of the country's urban dynamics in the 1990s' (Potts 2004:340). For many 'towns' the effect is extraordinary: Vihiga 'municipality', for example, has a core urban population of about 32,000 but a 'peri-urban' (ie dense rural) population of 82,000. In 2009, the last census, Kenya's real urbanization level was 23% but the headline level was 30% (and is currently being touted by the World Bank as proof of Kenya's economic vigour (World Bank 2011).

³ The strong evidence that estimated and projected figures for urban Africa are nearly always proven to be overestimates is an important reason for excluding Angola and the DRC from contemporary analyses, until they hold censuses.

The fall in Kenya's urban share for 2010 in Figure 1 reflects this real level. As a final note, the 34% recorded by the UN for 2001 was way above even a possible combined core urban and 'peri-urban' figure for Kenya, being higher than the share enumerated in the census 8 years later! Similar issues occur in Tanzania with very vague urban definitions and 'wards' of mixed rural and urban populations may be counted as 'urban'. Some other data are simply wrong despite there being no definitional issues. For example, Zimbabwe's censuses showed that its urbanization level increased by 3% from 1992 to 2002, not the 8% recorded by the UN. Rwanda's huge surge in urbanization is real but it occurred in the 1990s; the 2002 census showed many towns had recorded average annual growth rates of 8-10% in the 1990s. It is improbable that this has been sustained so the UN estimate of a 15% increase in the past decade is unlikely.

In sum, the trends in sub-Saharan Africa urbanization in the 1990s were generally greatly exaggerated by UN Habitat, and the data are rarely updated to reflect censuses: instead clumsy efforts are made to revise later figures which can add to the confusion. This has led to much erroneous analysis of urbanization and of sub-Saharan Africa urban economies over the years because so many academic and agency studies depend on these very shaky urban data compilations. It is notable that the current downward estimates have not yet made their way into current analyses and are not highlighted in UN Habitat reports; were it so the tone of economic evaluations like McKinsey's might have been rather different. Far more accurate judgements can be made on the basis of census data. As shown in Table 1, these show that most large mainland countries have been urbanizing slowly and a handful have experienced counter-urbanization (see Potts 2012a, b for a detailed analysis).

Migration flows as indicators of urban economic change

A major factor in the slowing of urbanization in sub-Saharan Africa is that net in-migration has fallen because although many rural people still move to towns these flows have been counterbalanced in recent decades to a significant degree by out-migration driven in part by lack of both economic opportunity and security in the towns. This phenomenon has been detailed for Zimbabwe (Potts 2006, 2010) and Zambia (Potts 2005), and the wider African evidence is reviewed in Potts (2009, 2010, 2012a, 2012b) and by Beauchemin and Bocquier (2004) for West Africa. The livelihood predicament faced by so many in sub-Saharan Africa

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).

and the impact on migration patterns was neatly summarized in a recent study of African migrants including a case study of Lubumbashi in the DRC:

Due to the precariousness of living conditions, Congolese people are constantly moving, both within the nation and externally, looking for opportunities to get by – a kind of ‘strategic nomadism.... the *Lushois* (the residents of Lubumbashi) [and] the [foreign] African migrants in Lubumbashi are generally characterised by a culture of mobility – they constantly move back and forth between the city and other locations within and outside the country (Baker and Jonsson 2011: 5).

These shifts in migration patterns are important indicators of urban economic change. Migration flows tell us a great deal about economic patterns since the outcomes of millions of seemingly individual decisions made by migrants are strongly shaped by prosaic ‘facts’ like the rural-urban *real* income gap (accounting for higher urban living costs) and the availability and nature of work in both the formal and informal sectors. Migration patterns which reduce urbanization need to be factored into our understanding of African urbanization more often. Rather obviously, they signal a very different take on the economic potential and functioning of current urban economies than might be deduced from a scenario of rapid and permanent in-migration. Nonetheless this is a generalization; it is important not to replace a misleading idea that all of sub-Saharan Africa is urbanizing rapidly with an equally misleading one that all countries are urbanizing slowly. This is the second key point arising from the analysis of censuses. There are recent examples of countries, discussed later, which

do conform to the generally accepted idea of very rapid urbanization, such as Cameroon and Burkina Faso (see Table 1) and many individual towns have also experienced vigorous in-migration.

The African Middle Classes as Indicators of urban economic development: a cautionary view

The paper now turns to examine the evidence about the second oft-cited indicator of improving urban economies, the African middle class. Reference is often made to a recent briefing from the Africa Development Bank (AfDB) claiming that approximately one in three people in Africa, 313 million, might be classified as middle class in 2010 and there had been a significant upswing in the share of this class in the population as a whole (AfDB 2011). However, this was seriously misleading. A proper reading of the briefing swiftly demonstrates that the income band classifications used are very far from what most urban scholars would understand is needed to place an urban-based person in the 'middle class' in any sense, be it in terms of income/consumption, possible lifestyle or social status. In fact, the majority of those included in the 'one in three' statistic are part of a large group of people who the AfDB designate as a sub-class of the middle class with incomes of *between \$2 to \$4 a day*. As the report itself acknowledges, those at the lower end of that income band would only be 75 cents a day above the \$1.25 *absolute* poverty level used in global poverty analyses below which people cannot buy enough food, let alone anything else. In addition this group is explicitly characterized by the AfDB as the 'floating class': one in which people are vulnerable and likely to fall 'back' into poverty. Furthermore the analysis uses PPP\$ (purchasing power parity) so that in US\$ the incomes would be even less. By comparison, the recent Global Trends 2030 report uses a global (ie not western) middle class income standard of \$10-\$100 per day of *disposable* income (EUISS 2012) while another global measure is US\$15 per day expenditure and 'by western standards even that figure is very low' (Stephens 2012).

It is regarded here as unsafe for any analysis of African economic trends to include people within a \$2-\$4 band of income as 'middle class', especially if that analysis is then thought by many to refer to a group of people with some or all of the characteristics commonly associated with being an urban middle class. This might include the capacity to afford a reasonably well built home, even if small, with running water on plot and legal electricity connections, adequate health and education expenditure in the context of societal norms, some disposable income to cover not only essential costs of food, housing, transport, and occasional clothes, but also a little non-essential expenditure on leisure, fashion and

entertainment. And many of the ‘middle classes’ in Africa defined in terms of occupation and status struggle even to attain these. There is much more than 75 cents per day that separates the desperately poor of the world and any group that can be considered as even proto-middle class and to suggest otherwise is absurd.

The definitions used are therefore intensely problematic. The report argues that ‘the middle class is usually defined as individuals with annual income exceeding \$3,900 in purchasing power parity terms or with daily per capita expenditure between \$2 to \$4 and those with daily per capita expenditure between \$6 to \$10’ citing studies by Bhalla (2009) and Bhanerjee and Duflo (2007). Leaving aside the issue of how this ignores the usual Marxist or Weberian definitions of class in relation to the means of production or social status, which is perhaps understandable in a report primarily about consumption power, it is still obvious that these are three competing definitions with very different implications. As already argued, in relation to the second definition, it is regarded as untenable to classify someone on \$2 to \$4 per day as middle class. The first definition assumes an income of over \$10 (PPP) per day which would exclude not only the ‘floating class’ but also very many of the lower-middle class subsequently discussed in the report and, as shown below, in most countries the proportion even in this band remains extremely small. The third definition is also still a low income by world standards and way below what would be needed to command the urban lifestyle outlined above. However no effort is made to justify any of these definitions and the report moves on swiftly to state that it has adopted the income band of \$2-\$20 in 2005 PPP US dollars ‘to characterize the middle class in Africa’. The definitional issues are misleading enough, but when the data in the briefing are further deconstructed, it is found that the proportion estimated to fall in income bands in excess of \$4 per day - categorized as lower-middle, upper-middle and ‘rich’ classes of whom most can reasonably be assumed to be urban residents - has *fallen* slightly from 19.4% to 18.2% between 1980 and 2010. As shown in Table 2, this group is also dominated by the lowest stratum estimated to have \$4-\$10 per day – a large range of income which will have more people at the lower end of this spectrum where discretionary expenditure would still tend to be very small (if any) in an urban area, once basic subsistence costs are covered. Yet even this group apparently dwindled slightly, as indeed has the upper middle class group. The ‘rich’ or ‘upper middle class’ on over \$20 per day accounted for only 4.8% in both 1980 and 2010. This presents an entirely different picture of the trends in the ‘middle classes’ in Africa. Since the data

Table 2: Income classes for African countries: 1980 and 2010

African countries including North Africa ¹								
	\$2-\$4		\$4-\$10		\$10-\$20		>\$20 'Rich'	
Year	%	Pop '000s	%	Pop '000s	%	pop	%	pop
1980	11.6	49,311	9.4	39,984	5.2	21,961	4.8	18,350
2010	20.9	190,585	8.7	79,785	4.7	42,910	4.8	44,180
Share of African total in North African countries								
2010	45.2	78,800	42.6	30,800	42.1	17,600	na	na
Share of African total in North Africa plus Republic of South Africa								
2010	51.2	90,200	52.4	37,800	48.8	20,400	Na	Na

Source: calculated from data in tables in AfDB (2010)

Notes 1. The AfDB data cover 44 countries for which the bank could obtain data. Large countries excluded are Libya, Sudan, Eritrea. Four North African countries are included in the AfDB report: Egypt, Algeria, Tunisia and Morocco.

sources will often be weak⁴ and are compiled across many different countries, this apparent fall in the share of those earning over \$4 per day is not something that one would want to insist shows a deterioration, but the most plausible conclusion to draw from the AfDB data for Africa as a whole is that the proportion in the middle classes has been stagnant over this thirty year period. However, the data include North African countries where much of the improvement in income has occurred; indeed they dominate the ‘middle class’ charts and tables, taking all the top ranking places. Their large share of the AfDB income groups is shown in Table 2. It does seem safe to conclude therefore that in *sub-Saharan* Africa the middle class share has fallen, not risen. Furthermore, if South Africa is excluded, that decline would be more marked, since about half the ‘middle classes’ are found in North Africa and the RSA (five countries) and the rest are divided between 39 in the rest of sub-Saharan Africa (see Table 2 and Figure 2).

By far the most obvious and significant trend in the AfDB data is some shift in the poorest groups between the very poor to the somewhat less poor group i.e. from those on less than \$2 per day to the AfDB’s so-called ‘floating class’ on \$2 to \$4 per day. Taken together they constituted 80.6% in 1980 and 81.7% in 2010 but of these the very poor group fortunately declined from 69% to 61%. This is positive, certainly, but it does not begin to mirror the extremely positive income shifts being recorded across SE Asia, China and parts of Latin America. As one critique of the AfDB report has argued, those in this ‘floating class’ are ‘hardly likely to afford a car or a fridge’ (Wallis et al 2011).

⁴ The AfDB data on income classes are mainly derived from the World Bank’s PovCalNet database which gives distributions of expenditure mainly based on household surveys. These are then used to generate a Lorenz curve from which shares of population in different income bands are derived.



Figure 2: African population by income classes: North Africa and Republic of South Africa compared with rest of Africa

In sum, therefore, the report’s conclusions are an artifice of including a vast income band of poor people as middle class. This is unhelpful. The AfDB claim has rapidly been taken up as ‘fact’ and is endlessly repeated in reports, studies and articles⁵ to the extent that a 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). The excitement generated is evidently misplaced. Those who have read the data more carefully are more realistically downbeat (eg see Wallis et al, 2011). Objective corporate analyses (from Global Pacific and Nedbank Capital respectively) have noted, ‘The actual real middle class in Africa that sits in a global middle-class income level is less than 5%’ (cited in Melik, 2012), and that reasonable spending power in Africa is found only in “pockets” and “if you go into the outlying areas.... There really is very little purchasing power” (cited in Jopson and England 2011). Most of the upbeat reports citing the AfDB briefing also fail to recognize that the data are not about

⁵ There are far too many references to the supposed phenomenon to cite; a google search provides new examples almost every day. Two examples are Green (2012): ‘Big firms latch on to Africa’s boom time’; and Knaup and Puhl (2012): ‘Africa’s growing middle class drives development’.

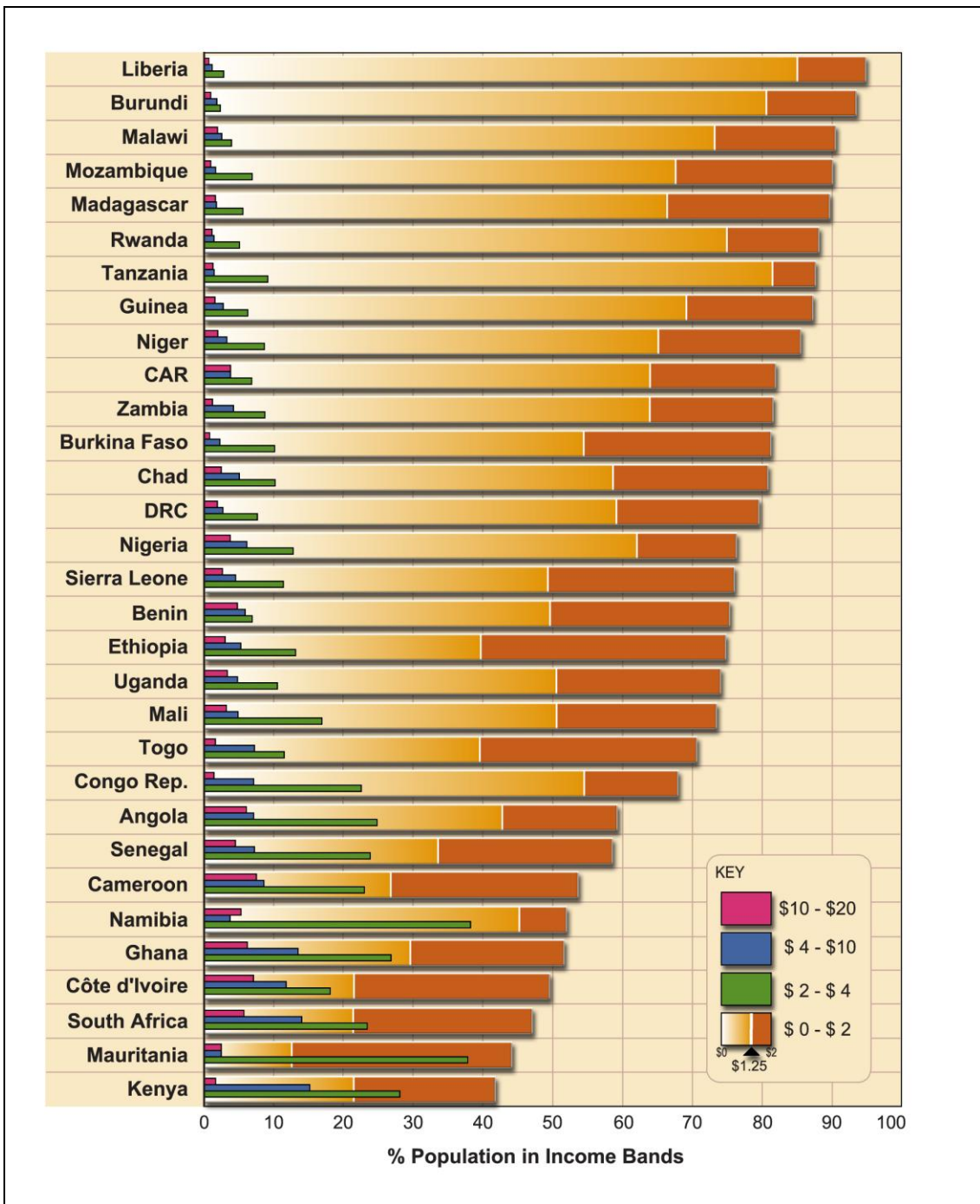


Figure 3: Income distribution in 31 mainland sub-Saharan African countries

sub-Saharan Africa but are skewed by the inclusion of much better off countries like Egypt, Tunisia and Algeria.⁶

⁶ South Africa is the most populous country in the top ranking sub-Saharan African countries in terms of the population share on \$4-\$10 (the AfDB's 'middle classes' excluding the so-called 'floating class'). Its share is estimated at 20%, compared to Egypt's 32%, Tunisia's 46% and Algeria's 27%.

Furthermore, sub-Saharan Africa comprises such a large number of very different countries that averaged data hide important differentiation. Figure 3 demonstrates how, for the great majority, the size of the middle class is simply tiny. The graph depicts all the mainland countries with populations over 2 million for which data are found in the AfDB report (the smaller countries are considered later). It is immediately evident that, *according to the AfDb data*, with a few exceptions at the bottom of the graph, by far the dominant income class in nearly all countries remains those on under \$2 per day: these are extremely poor people. Furthermore, within that band, *most* are usually below the absolute poverty line of \$1.25. In twenty of the 31 countries shown, those at this level comprise at least 50% and usually more of the entire population. Again, the picture presented by this graph could hardly be more different from that suggested by the general analysis in the AfDb briefing, despite the data being derived from it. Consider the fact that the top two bars for each country includes some people who are still on around only \$4 per day, and that in not one country, including South Africa, does the \$10-\$20 band even approach 10% of the population. The proportion is usually less than 5%, not all of whom will be urban.

Figure 4 shows how 7 sub-Saharan Africa countries with small populations fare. Between them they account for a very small fraction of the total population and are thus of relatively little significance when it comes to calculations about total African consumption power or general economic trends. As can be seen the variation in income distribution between them is high. A rough analysis however is that they do rather better than the larger countries although Swaziland and Guinea-Bissau have a fairly typical distribution with about three quarters on less than \$2 per day. Djibouti, Lesotho and Gambia form an intermediate group with patterns more comparable to the better off countries in the group at the bottom of Figure 3. Botswana and Gabon however are clearly exceptional. Botswana stands out in all the AfDb data because of its relatively very high proportion of 20% in the 'upper middle class' on \$10-\$20: higher than both Algeria and Morocco, and 3.5 times the proportion in South Africa. On the other hand half its population is very poor and on less than \$2 per day (although only six other sub-Saharan Africa countries do better on that measure). Gabon is also highly exceptional but less unequal than Botswana.

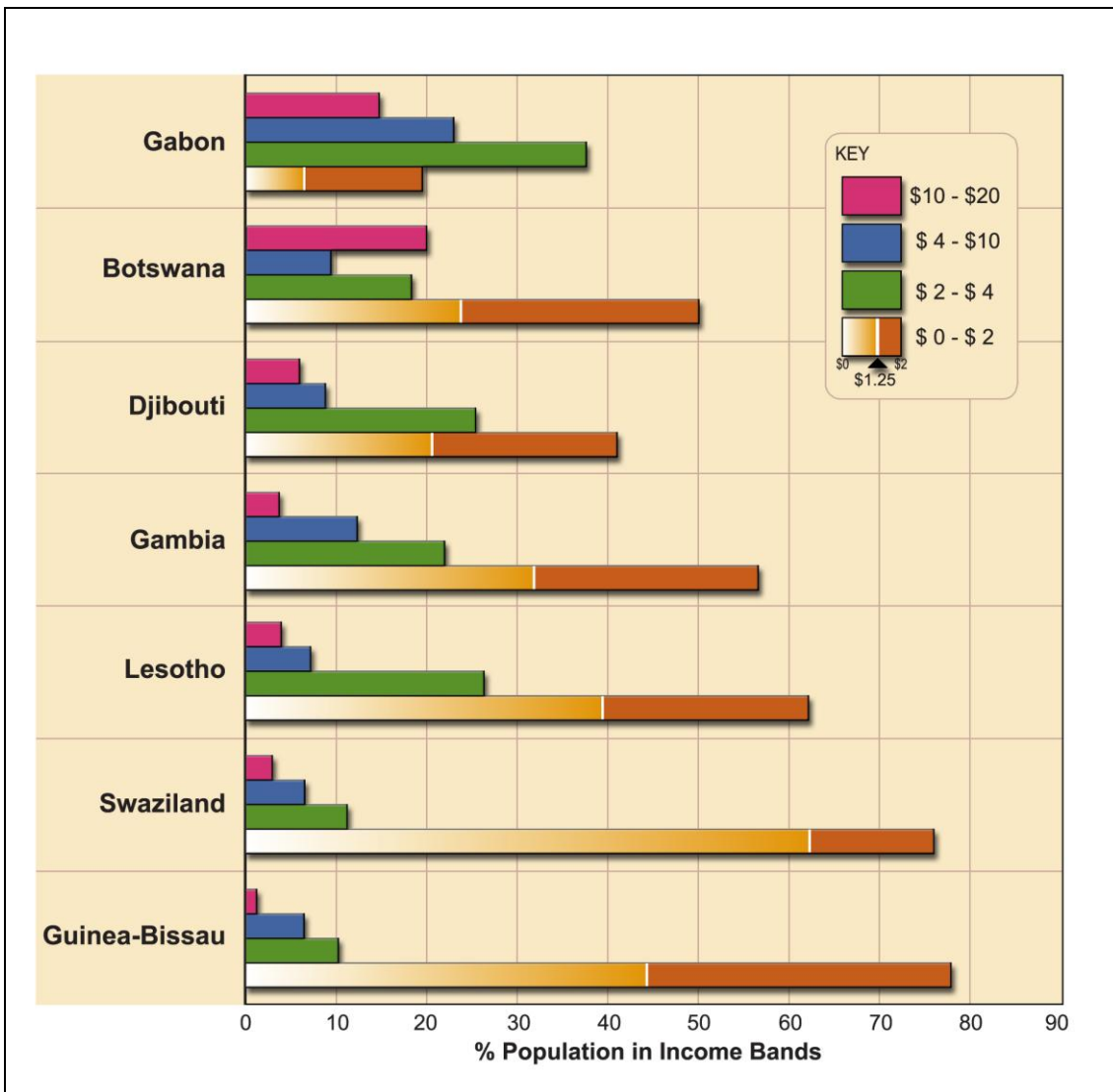


Figure 4: Income distribution in 8 mainland sub-Saharan African countries with small populations

African urban economies and the harsh laws of comparative advantage

One analysis of the development of middle classes in developing countries argues that what often separates them from the poor is ‘steady well-paying jobs, not greater success at running small businesses’ (Banerjee and Duflo (2008) cited in Afdb 2011). It is in this respect that African towns are doing so badly compared to their Asian counterparts. The key question to ask is where, in urban sub-Saharan Africa, are the major new firms employing not just hundreds of urban residents, but tens of thousands? In China, in one city, Shenzhen, the company Foxconn employs 300,000 workers. Formal enterprises with steady wage-paying jobs for 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 in

Africa, just as in Asia. This is what urban economic *development* means. They also underpin the changes required for sustained urban-based economic growth.

While the example of Shenzhen is evidently extreme, a reasonable comparison against which sub-Saharan Africa still measures very poorly is Cambodia. Its population in 2008 was 13.4 million and its urban system is quite comparable to many sub-Saharan Africa countries. The capital, Phnom Penh, had 1.2 million people in 2008 and the next largest town about 168,000. The urbanization level is about 20%. Yet in 2008 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). A final sobering statistic from Southeast Asia is that by 2008 Vietnam exported more light manufacturing products than all of sub-Saharan Africa (World Economic Forum et al, 2011).

Any reading of contemporary economic analyses of sub-Saharan Africa (eg AfDB 2011, 2012; World Economic Forum et al 2011; Mckinsey Global Institute 2010) will not find evidence of this sort of urban-based productive enterprise growth or, crucially, the associated job creation. Instead, the discussion is about natural resource-based investment and opportunities, investment in infrastructure (often by China) and urban-based *consumption* (not production). The Mckinsey Institute argues that sub-Saharan Africa economic revitalization is not just about natural resources, correctly attributing improvements in some regions to reductions in conflict. But the other key factors identified are agriculture and natural resources, consumption, infrastructure and, as usual, rapid urbanization. In many reports growth in the domestic service sector is often identified too. Much of the employment here however is in trade, and in many African cities the value-added is very low. Studies on informal international traders to places like Dubai and China often find they are profitable (Lyons and Brown 2010; Bakewell and Jonsson 2011);) but some of the traded products are precisely those which are simultaneously undermining domestic urban enterprises, as discussed below.

A further key factor identified in the 2012 African Economic Outlook (AEO), the 2011 African Competitiveness Report (ACR) and the McKinsey report is what the latter terms the better macro-economic situation, broadly meaning the shift towards more open, liberalized economies with a reduced government role. The problem with this for African cities is that there is a strong counter-argument: that it is precisely the outcomes of liberalization that hinders the development of urban production and jobs and that the current analyses ignore the fact that hundreds of thousands of formal urban jobs were lost during structural adjustment programmes as previously protected industries were exposed to global competition from much more developed and larger economies.

The strong shift towards liberalized trade and the associated rise of comparative advantage as a major determinant of what different countries can produce has unquestionably pushed African economies back towards sectoral patterns typical of the colonial era where natural resources underpinned GDP growth and provided the multipliers for other economic activities (Bryceson 2006). Many countries have experienced de-industrialization as a result of competition from liberalized imports at the same time that Asian countries have experienced rapid growth of manufacturing industry and the creation of millions of urban-located jobs. Some sub-Saharan African 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-based production. Reasonably educated labour is in short supply and has probably become proportionally less rather than more available due to the shocking impact of structural adjustment programmes on education. 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 African countries are landlocked which is also a 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 sub-Saharan African 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 AEO notes that 'African manufacturers... face fierce competition at home and abroad from advanced countries and emerging countries, notably China' (AfDB 2012: 21). Light manufacturing exports from sub-Saharan Africa comprise only 0.9% of the world total, a decline from 1.2% in 1980, and the ACR states that the conditions for heavy manufacturing

are simply not met in most low- and middle-income ssaf 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% of GDP (National Bureau of Statistics 2008). In the manufacturing towns of southeast Nigeria, shoe production in the town of Aba was 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 is now 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).

One response is for governments to create special zones of various sorts to encourage industrial investment. These can help but as the publicity for the meeting in Johannesburg noted, they have to be 'better incentivised' to work. This essentially means government subsidies to help the industries which is in obvious tension to the view that shifting to open, liberalized economies has been helpful, at least for urban-based production. They can also create unfair competition with domestic industry elsewhere in the country (Beattie 2007). Special deals to allow free access to western markets can also help but their necessity does highlight how restricted sub-Saharan Africa is by the laws of comparative advantage. Removal of special access to US markets via the African Growth and Opportunity (AGOA) initiative led to the 'decimation of Madagascar's apparel production' (World Economic Forum et al 2011). In any case, American analysis of AGOA in 2010 found that the benefits had tended to be concentrated in middle-income countries like South Africa and Mauritius, and the total had barely exceeded 1% of US textile imports. Overall it was recognized that market access to the US was not the key constraint for African manufacturing but the general parameters of comparative advantage, such as poor infrastructure and the 'struggle to compete against higher-productivity powerhouses such as China' (Beattie, 2010).

African urban economies have struggled to compete in globalized markets therefore and will continue to do so. However there are other economic forces which can drive urban development and the ways in which these are working their way through African urban systems are discussed below.

Natural resource-based economic growth and African urbanization: winners and losers

Using a geographical focus on *where* GDP is being produced, instead of just how much is being produced, the analysis of African urban economies can be shifted in useful ways, away from over-hyped and mistaken ideas about rates of urbanization and middle-class expansion. Instead 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.

One way of locating the urban winners and losers in this respect is to identify where rapid in-migration really *is* occurring to African cities, rather than a vague and erroneous blanket assumption of ‘rapid urbanization’. 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 are 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. It is worth noting here that riots have also occurred in urban Nigeria, Uganda, Malawi and Mozambique since 2010 when government subsidies have been removed which is highly indicative of the extent of economic insecurity. While food is one issue, attempts to reduce subsidies on fuel have played a major part. The importance of oil production is thus further exemplified. Nigeria's subsidies are riddled with corruption but they also operated as a subsidy to the livelihoods of almost everyone in town since fuel prices are embedded in so many consumer items, and not just transport and electricity generation and were perceived as one benefit of the country's oil wealth, as ordinary people were swift to point out (Ewi 2012). Nigeria's positive fiscal balances from its oil exports meant the government was able to restore the subsidies later.

The urbanizing influence of mining other minerals is mixed. It can lead to urban settlements which may develop into more broadly based urban economies – the obvious example being Johannesburg. However the scale of the mineral wealth in that case was exceptional. There are many mining towns in Africa and the numbers are growing but, particularly beyond southern Africa, they often used to be small (O'Connor 1983:137). O'Connor felt the iron mining settlements in Liberia and Mauritania in the 1980s 'might be regarded as mere mining camps' (ibid); thus there were few local multiplier effects and they had not developed into multi-functional settlements. The classic economic geography characterization of this sort of mining is the 'enclave economy'. Zambia and the DRC have many large mining

towns but their economic fates over the past thirty years have been very mixed. Zambia's Copperbelt towns lost population share in the 1980s and 1990s (and some even dwindled in size altogether) as the impact of economic liberalization combined with low copper prices to undermine their economies (Ferguson 1999; Larmer 2006). Zambia counter-urbanized overall during this period (Potts 2005). The sharp surge in copper prices from 2003 brought about renewed urbanization but provisional 2010 census figures show that the Copperbelt towns were generally still losing population share as employment practices and new technologies mean the mines have become more labour 'efficient'. Mines in the DRC are obviously using labour but there are so few reliable urban, economic or employment data for the eastern DRC that the outcomes for broader urban economic sectors are hard to judge. Tete in Mozambique had coal mines in the colonial period and the huge deposits are now finally being seriously developed. It was the country's third fastest growing town from 1997-2007 at 3.8% per year and recent anecdotal evidence suggests this rate has greatly increased. Yet in Botswana, the extremely valuable diamond mines around Orapa directly employ fewer than 4,000 and the world's richest diamond mine at Jwaneng even fewer. The populations of the two associated towns in 2011, the last census, were 9,531 and 18,008. The copper-nickel mining at Selebi-Phikwe has created a larger settlement which had 49,411 in 2011. However the populations of both Orapa and Selebi-Phikwe have stagnated for ten years, and Jwaneng's grew less fast than Botswana as a whole: they have all lost population share. There can be no question, however, that diamond wealth has had transformative effects on the Botswanan economy which stands out in all contemporary economic analyses as a middle-income developing economy with a good 'business environment' (AfDB 2012; World Economic Forum et al 2011) and this is an example where mineral-based GDP growth has had very positive multiplier effects for the broader economy. Diversifying its economy is hard with the regional economic powerhouse of South Africa across the border providing tough competition, but nonetheless it counts amongst the most successful exporters of light manufactures in sub-Saharan Africa (World Economic Forum et al 2011).

Beyond the impact of big multinational corporate mining there has recently been a significant spread of domestic, artisanal mining. Gold-panning alone does not tend to create urban settlements although the income generated can support urban livelihoods (for Zimbabwe see Potts 2010) but underground small mines create multiple local economic spin-offs. This has had vigorous urbanizing impacts in small towns in Tanzania (Bryceson and Jönsson 2010). In West Africa localized multiplier effects of such activities may be reduced when large corporate interests overwhelm them (eg see Bush 2009 on Ghana). The

development of extraordinary iron ore reserves in and near Guinea – at least 50 billion tonnes – by international investors and the IFC of the World Bank is being promoted as possibly ‘sub-Saharan Africa’s largest industrial investment project ever’ (AIOG 2012) and is bound to have urbanizing effects in the region including port development. The nature of the minings settlements and miners’ wage levels will be crucial influences on how this feeds through into urban economic *development*.

Other urban ‘winners’ from natural resource-based economic forces are towns serving productive commercial agricultural hinterlands. Two important examples are Arusha in Tanzania and Kumasi in Ghana. Both have recorded very high population growth, Kumasi growing at an average annual rate of about 5.5% from 1984 to 2010, and Arusha at a similar (or possibly higher)⁷ rate from 1988 to 2002. Arusha’s agricultural hinterland used to include productive smallholder coffee; although this has suffered a downturn partly due to liberalizing agricultural markets there has been a move into vegetable and dairy farming (Ueda 2007) and there are also large horticultural and flower farms producing for export. Arusha also functions as a central node for tourists, often flying into Nairobi from Europe, since it is well placed for access to some of the world’s best wildlife parks. Again this is a natural resource-based function. Kumasi’s population according to the 2010 census was 1.85 million, so it is a major urban centre. It has always had a key marketing role in the local economy and functions as a central place for a hinterland with strong exports of cocoa, gold and hardwood. Both towns are regional capitals and also have other important administrative functions: Arusha has the offices of the East African Community and Kumasi is the historic traditional centre for the Ashanti.

There is remarkably little research on African urban *economies* based on productive hinterlands. Work on Kumasi has focused on its peri-urban areas and the usual issues of poverty, governance and services (eg Simon et al 2004; McCaskie 2009). Perhaps this is because most such towns are too small to attract attention, although as shown above, some have grown very large. Bryceson and Jonsson’s research on gold mining towns is a notable exception. It may be true that it is more interesting to theorize about how global cities like London, New York or Hong Kong can capture the huge benefits of global financial activity but this is not a serious option for sub-Saharan Africa. The current economic theoretical focus in urban studies on huge cities or global cities, and the competition between them, is thus not always appropriate in sub-Saharan Africa where it may be often be of greater significance to recollect the implications of central place theorizing to understand urban

development and to look to the impact of local, regional forces from the hinterlands of towns.

Seeking explanation in local rather than global economic spaces is unfashionable. Nonetheless where these generate significant multiplier effects for urban-based economic activity and encourage long-term in-migration, they should not be neglected. Natural resources are not, of course, the only source of local urban economic growth: transport and administration are other classic urban functions. Where these combine in border towns the urbanizing influence is clear to see in many parts of Africa. Beitbridge/Messina (Zimbabwe/South Africa) are good examples; another is Rundu on the Namibia/Angola border. These are growing much faster than most other urban settlements in their respective countries. Ports are another example, their economic fate and population growth varying with the growth and value of exports; since export values are often rising in sub-Saharan Africa (mainly from mining) this is a positive influence. Tourism is another factor that can clearly stimulate urban development and is usually, in sub-Saharan Africa, based on natural resources: landscape, beaches, wildlife. Consider the Gambia, where a significant proportion of the nation's (small) population has accumulated in the conurbation of Banjul/Brikama/Kanifeng along the coast.

CONCLUSION

This paper has sought to contribute to the debate on urban economies in sub-Saharan Africa by drawing attention to three issues. Two relate to data misrepresentation which has led to major misunderstandings about the speed of urbanization, as opposed to urban population growth, and the expansion of the urban middle classes, both of which are often being used as a proxy for economic development. The analysis presented argues that these data are generally poorly analysed and understood. Most people in sub-Saharan Africa live in large mainland countries where urbanization has recently been proceeding quite slowly and in which the size of any meaningful middle class remains extremely small. The third issue is the factor underlying the first two: that in a globalized world of liberalized trade sub-Saharan Africa *urban* productive enterprises are generally struggling to compete with other producers, often in Asia. The dictats of comparative advantage have been highly damaging for urban Africa and far more positive for urban Asia. Many African towns have suffered de-industrialization in direct contrast to the rapid industrialization of so much of Asia in the past 30 years, and FDI in urban-based productive sectors generating local jobs, as opposed to

⁷ The uncertainty is due to the issues with urban definitions in Tanzania.

services and consumption, has been limited. In Asia many countries have achieved their successes through shrewd state management of mixed economies, limiting the play of market forces when this is deemed to restrict long-term economic aims and with the state intervening forcefully in sectors designated strategic to develop in the national interest, no matter whether this broke the rules of comparative advantage and liberalized trade (Chang 2007). Often the essential conditions of competitive global production were in place before neo-liberal ideologies ruled the roost. These 'rules' are harder to break for the generally smaller, poorer and economically weak sub-Saharan African countries which were anyway so thoroughly restructured back towards primary production outside of the cities under the SAPs of the 1980s and 1990s. They are still often largely in thrall to donor advice from IFIs where market-based economic ideology remains dominant, despite some changes after the western financial crisis of 2008. Oil-rich nations in particular may have positive financial balances which lessen this influence. Chinese investments in Africa also lessen IFI dominance but do not focus on urban-based production and jobs which might compete with their own interests, but natural resources, trade and infrastructure. It is much harder also for poor sub-Saharan African countries to play the WTO rules 'games' whereby economically powerful countries can create complex incentives for local production which do not obviously breach their 'comparative advantage' as import tariffs would (Prestowitz 2012).

Consumption in African urban areas is growing fast, but this is largely because the towns' populations are growing, mainly due to fast natural increase. This creates economic opportunities, certainly, but population growth, per se, is not to be confused with national structural economic change. And, on the basis of the typical income levels discussed, shifts in consumption patterns from those of the past 30 years are essentially between poor groups, and would tend to allow the occasional new consumption of items like soft drinks, cheap toiletries, and very cheap clothes although there is one important additional item which the urban poor in Africa are now buying, and perceive to be necessary: a mobile phone, often recycled (like clothes) from Europe. Returning to the McKinsey report on African economies, the concerns expressed in this paper are actually evident therein. The report's discussion about production, jobs and income-generation is very much about natural resource-based economic opportunities outside of the cities despite the assertion that the economic changes discussed are not just about natural resources. And so much of the analysis about anything else, apart from the ending of conflicts, is about urban-based *consumption* and presumed opportunities within this area for foreign investors. It is the very lack of identification of other urban economic prospects which points towards the analysis in

this paper, that sub-Saharan African economies are still struggling to achieve productive urban economic development.

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