



# URBANIZATION AND DEVELOPMENT IN AFRICA

THE ROLE OF THE  
ECONOMIC COMMISSION  
FOR AFRICA



United Nations  
Economic Commission for Africa

# Urban transition in Africa

Urbanization is one of the most important shifts that the African continent will undergo this century. In the three decades since 1990, Africa has added nearly 400 million people to its cities, and over the next three decades to 2050, the continent will add an additional 900 million. As a result, the proportion of the continent's population living in cities will rise from 43.5 per cent in 2020 to some 50.9 per cent by 2035. The continent's urban growth rate is higher than that of any other global region and currently stands at 3.58 per cent per year, with the United Nations Department of Economic and Social Affairs (DESA) projecting that it will average 3.3 per cent over the next 20 years.<sup>1</sup> This megatrend will have a significant impact on the continent's economic geography at the city, metropolitan area, national and international levels, with far-reaching repercussions for the region, including on economic growth, poverty, inequality and the environment. Urbanization is a key component of economic structural transformation, which involves the movement of labour out of agriculture and into more productive manufacturing and service sectors, and is thus fundamental to the continent's economic development process.

In many African countries, however, the urbanization process has not been

accompanied by job-rich economic growth. Rising gross domestic product (GDP) has frequently been led by job-poor sectors including commodities, leaving rapidly growing urban populations, and particularly young Africans, whose numbers are rising fast across the continent, without decent work. African cities generate a disproportionately high proportion of GDP and are focal points for most productive economic activities. Jobs in the formal economy are limited, however; the vast majority of urban dwellers work in the informal economy under precarious working conditions and in low-productivity and low-wage non-tradable sectors. Indeed, the vast majority of urban Africans, huge numbers of whom have no choice but to live in city slums, have yet to reap the benefits of the continent's urban transition.

Most African countries are still early in the urbanization process and now have a significant opportunity to leverage the power of growing cities to promote inclusive growth. Strategic policies and investments at the regional, subregional, national and subnational levels will prove critical in that regard. National development plans and African regional frameworks and agreements rarely address the full extent of the economic and other challenges and opportunities stemming

<sup>1</sup> DESA, *World Urbanization Prospects, 2018 Revision*. (2018). Available at: [population.un.org/wup/](https://population.un.org/wup/)

from urbanization. Indeed, although many African national development plans refer to urbanization as a major development force, few emphasize its role as a key driver of economic transformation, while linkages between urban policies and economic

sectoral plans and strategies remain weak. Moreover, there are sizeable gaps in the institutional, technical and financial capacity of subnational and municipal governments to harness and develop local economic potential and promote urban employment.

## Role of the Economic Commission for Africa in supporting the design and implementation of urban policies in Africa

The Economic Commission for Africa (ECA) endeavours to support the formulation and implementation of spatially-aligned economic policies, and efforts by governments to increase and accurately target investments to foster the emergence of job-rich and productive cities. As illustrated in the figure below, the Urbanization and Development Section at ECA deploys its knowledge and convening power to support member States in leveraging urbanization to promote job creation, urban productivity and regional integration. In doing so, ECA brings an urban lens into national development, economic and sectoral planning and regional integration policies. The three main pillars of this work are the following:

### Pillar 1: Urban job creation

As Africa urbanizes, poverty will shift toward urban areas, and the battle to reduce poverty across the continent will increasingly be won or lost in cities. Decent job creation is arguably fundamental in defeating poverty and inequality. Although Africa has experienced a relatively long spell of strong growth in the last two decades, that growth has failed to create sufficient numbers of jobs. Indeed, growth in many African countries has been driven by their job-poor commodity sectors, while the majority of their populations remain trapped in small-scale agriculture and the urban informal sector. Leveraging urbanization to promote job creation



and economic diversification by pairing economic sector and spatial planning in appropriate locations and by prioritizing labour- and skill-intensive employment and economic opportunities will be crucial. From that perspective, cities will prove critical in efforts to achieve Sustainable Development Goal 1, on eradicating poverty and Goal 8, on inclusive growth and decent work, while job creation is also one of the prerequisites for the achievement of Goal 11, on cities and human settlements. In that connection, national development planning mechanisms could prove to be ideal vehicles for strengthening synergy between the Sustainable Development Goals and urbanization.

## **Pillar 2: Productive cities and urban systems**

Cities make a substantial contribution to national GDP in many African countries, and urban areas are often the economic powerhouse of national economies. Indeed, African cities often account for more than half of national GDP,<sup>2</sup> and the underlying force driving growth and job creation in many countries is the increasing productivity of cities. Inadequate investments in infrastructure and weak urban planning and land management

systems mean, however, that many African cities are crowded, sprawling and fail to achieve their full potential. Barriers associated with land, energy and transport continue to constrain the productivity of businesses. Compared with cities in economies outside Africa at a similar level of development, African cities are relatively expensive. This undermines both business competitiveness and the welfare of workers. There are already signs of diseconomies in the largest cities in Africa, but there are few alternative large and midsize cities to which businesses and workers can relocate. Midsize cities, which provide large numbers of manufacturing jobs in many economies, are absent from many African countries. Diseconomies in the continent's largest cities and the limited mobility of business enterprises among African cities thus constrain productivity and, ultimately the capacity of economies to support mobility in the job market and the turnover of companies. Enhancing urban productivity will require strategic infrastructure investments, with a particular focus on urban sectors with the capacity to generate high economic returns, in tandem with efforts to strengthen planning and land governance mechanisms. Investments will also be needed to promote the development of strategic secondary cities in African countries.

<sup>2</sup> For further information on national experiences in managing urban issues, see: [habitat3.org/documents-and-archive/preparatory-documents/national-reports/](https://habitat3.org/documents-and-archive/preparatory-documents/national-reports/)

### **Pillar 3: Cities and regional economic integration**

With the creation of the African Continental Free Trade Area, regional economic integration is likely to accelerate. Cities will play a critical role in supporting that process as major production and consumption nodes, connecting national and regional economies along transport, energy and trade corridors. Furthermore, with the increasing important role played by information and communications technology in social and economic life, cities are well placed to become the backbone of regional connectivity, spurring faster economic integration and growth. As economies mature and the share of intraregional trade grows, cities and urban systems will morph into manufacturing, trade and logistics hubs that can support emerging regional supply chains in agriculture and industry. Already, urban agglomerations along regional corridors, including along the Lamu Port–South Sudan–Ethiopia Transport Corridor, the Praia–Dakar–Abidjan Corridor, and the Abidjan–Lagos, Doula–Bangui and Doula–Ndjamená corridors, are testimony to the strong organic link between urbanization and regional integration. Leveraging the

role of cities and urban systems to promote regional integration and inclusive growth will, however, require in-depth knowledge of how cities emerge and evolve along regional corridors and an understanding of the infrastructure investments that must be made in those cities. Policymakers must also identify and mainstream relevant urban components into regional integration policies and investment programmes, and must align national and regional priorities.



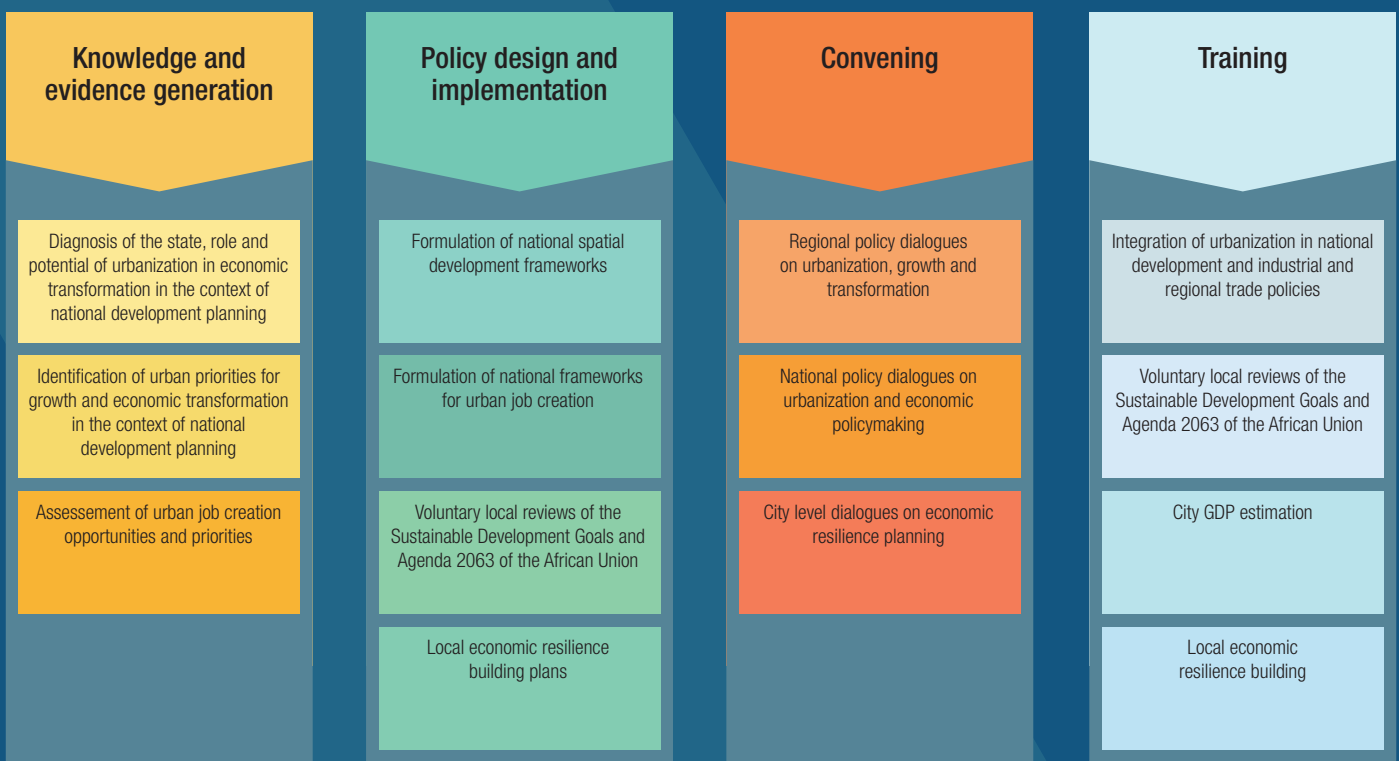
## Objectives

The Urbanization and Development Section at ECA aims to achieve the following objectives:

- To strengthen the capacity of member States to accelerate urban job creation through economic diversification and industrialization;
  - To strengthen the capacity of member States to prioritize and implement strategic urban investments supportive of productive cities and systems of cities;
  - To support ongoing efforts by member States and regional economic communities to mainstream urbanization into regional economic integration policies and strategies.
- Those objectives will be achieved through three core functions namely:
- Knowledge and evidence generation to inform urban policy design, implementation, and monitoring;
  - The provision of technical advisory services to national and local governments during all stages of urban policy design, implementation and monitoring;
  - The convening of meetings of member States and other stakeholders to facilitate policy dialogue and learning on urbanization and development in Africa.

## Products and services offered

### (a) Support to member States



## (b) Knowledge products

- Habitat III regional report: Africa (2016);
- Urbanization and industrialization for Africa's transformation (2017);
- Urbanization and national development planning (2018);
- Leveraging urbanization for national development planning (2018);
- Cities: gateways for Africa's regional integration (2021);
- Leveraging the urban dividend in Africa (2021);
- Domestic resource mobilization in Africa: the role of cities (2021);
- Africa's urban economy (forthcoming);
- Urban economic resilience during and after COVID-19 in Africa (2021).

## (c) Policy tools

- An urban lens in national development planning: a guide for national development planners (2018);
- An urban lens in Africa's regional integration: a policy toolkit (2021);
- Africa voluntary local review guidelines (2021);
- Guidelines for city GDP estimation in Africa (2021);
- Spatial development planning in Africa: a guide (2021);
- Urban indicators for Africa (2021).



*More details of the work of ECA  
in this area can be found at:*

[www.uneca.org/poverty-inequality-and-social-policy](http://www.uneca.org/poverty-inequality-and-social-policy).

*For further information, please contact:*

Urbanization and Development Section  
Economic Commission for Africa  
Email: [yemeru@un.org](mailto:yemeru@un.org)