

The Comparative Urban Studies Project and Africa
Program of the Wilson Center
and the USAID Alumni Association

Panel discussion on:

**Africa: Agriculture, Structural Change and the
Urban Imperative**

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Underlying question:
Is there an “integrating framework” for rural-urban transformation?

World Development Report (WDR) '09 – Reshaping Economic Geography

Clear view of policy priorities:

1. Balanced delivery of basic services to citizens (basic education, health care, safe water), plus legal fundamentals for good governance – provide to citizens wherever they reside (“*Institutions*”) – portable, not place-specific
2. Connective *Infrastructure* linking places (system of cities / “portfolio of places”)—transport and communications-- to link to markets/agglomerations—let labor and goods flow to best uses
3. Place-specific *Interventions* cited as third priority, because difficult to identify *apriori* where such investments will pay off (“bringing jobs to people”)

WDR '09 could also be viewed as the “rural-urban transition WDR”

Structural Transformation – 4 dimensions (at least)

- Demographic
- Spatial
- Productive – up the value chain through diversification (primary/agriculture – secondary/manufacturing – tertiary/services)
- **Institutional – Rural to Urban transition requires more complex governance and institutional forms**


[Seminar announcement: “Urbanization...creates the practical necessity for effective local governance and administration”]

The characteristic feature of African economies, especially Urban: INFORMALITY

Informality has many types/sources:

- In Developed countries – grey economy to *escape* taxation and regulation
- In Developing countries – informality as the MAIN economy, *filling vacuum* in absence of formal institutions and a functioning public sector
 - Informality as main source of accessing land, housing, services in Africa
 - “Illegal” developments often signal that the “law” is very unsuitable, unaffordable, and stacked in favor of privileged top tier

So informality can signal *Intrusion* of government or *Absence* of / *Dysfunctionality* of government

 In Africa: Informality as symptom of lack of modern, legitimate, effective public sector, especially apparent in cities

If traditional institutions are good enough for the rural economy, why not for emerging cities?

Because as settlements grow, densify, and become diversified—urbanized—the demands on institutions grow

- Increased requirements for public goods (e.g., protection of Rights of Way and green spaces) and avoidance of public bads (e.g., pollution)
- Increased requirements for public health and amenity services – e.g., sanitation and waste disposal requirements increase
- Land use planning and public land management more complex to manage density, mobility, public security
- Need for physically networked infrastructure and systems as scale increases
- More long-term financing needed for urban infrastructure, requiring predictable and diverse revenue sources
- Social organization becomes more complex – e.g., communal tenure not sufficient for urban land markets; heterogeneous urban society underscores need for rule of law for dispute resolution

Are urban governance systems in Africa ready for the challenge?

- Slow long-term trend of decentralization, but uneven and inconsistent with some reversals. Functions and expenditure obligations devolved, but not revenue-raising authority
- Often insufficient differentiation of functions to match the scale and demands of the range of urban-to-rural settlement types
- National authorities and donors sometimes sideline local governments, in favor of deconcentrated national programs and “community driven development” arrangements
- Large number of local governments (c. 15,000 of all types)
- Implies large and growing demands for capacity development of local authorities, as well as need for rationalization of policy frameworks for municipal finance and incentives for improved governance
- Other stakeholder organizations need to be empowered and involved as urban practitioners as well – e.g., Slum Dwellers International ; and domestic private sector – to collaborate with LGs

Implications for Donor/ IFI strategic contributions

- Do not try to decide when and how the structural and productive transitions will take place – will be determined by citizens and entrepreneurs to seize opportunities and make the trade-offs
 - ✓ Give population portable assets (human capital) and lower transactions costs for trade (e.g., connective infrastructure, info access, legal protections)
 - ✓ Support national government policy frameworks to address institutional and fiscal needs of urban transition
 - ✓ Settlements with economic dynamism can mobilize more own revenues when empowered with adequate financial regulations (i.e., metro cities should increasingly self-finance, and fiscal transfers allocated to mid- and smaller cities)

- Strengthen the role and capacities of local governments – directly and through intermediaries and networks, e.g. United Cities and Local Governments of Africa (UCLG-A)

- Involve citizen organizations, NGOs, and private sector, who create the local economies (but they cannot substitute for effective local governments to manage cities!)

World Bank Institute Approach to Capacity Development for Urban Management:

CAPACITY as *the ability to follow through* on change, so application of knowledge – implementation (“delivery”)

- Providing operationally-relevant, just-in-time knowledge : peer-to-peer knowledge exchange and replicable training formats (e-learning courses)
- Hands-on support to domestic knowledge institutions – local government associations, urban institutes, CSOs/NGOs on application of knowledge tools, and leadership training to reform teams.

E.g. in Africa : (including partnerships with Cities Alliance and others)

- Supporting local government professionalization programs with provision of global content through e-learning curriculum
- Facilitating knowledge exchange on slum upgrading experiences, and on other human settlements policies and programs
- Support use of customized ICT tools for citizen feedback and improved decentralized management of service delivery
- Conducting leadership training for water utility executives, linked directly to investment programs and formation of water utility association
- Helping national and local agencies strategize to collaborate on disaster risk management, drawing on global good practices

Thank You!

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<http://wbi.worldbank.org/wbi/topic/urban-development>