AFRICA'S INFORMAL CITIES

Urban Informality & Migrant Entrepreneurship in SAn Cities | 10-11 February 2014

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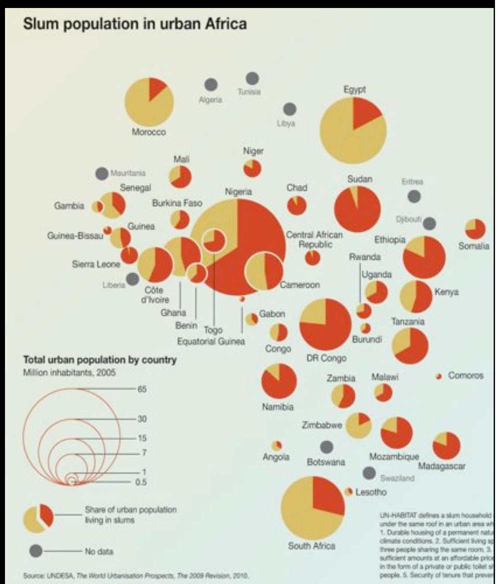
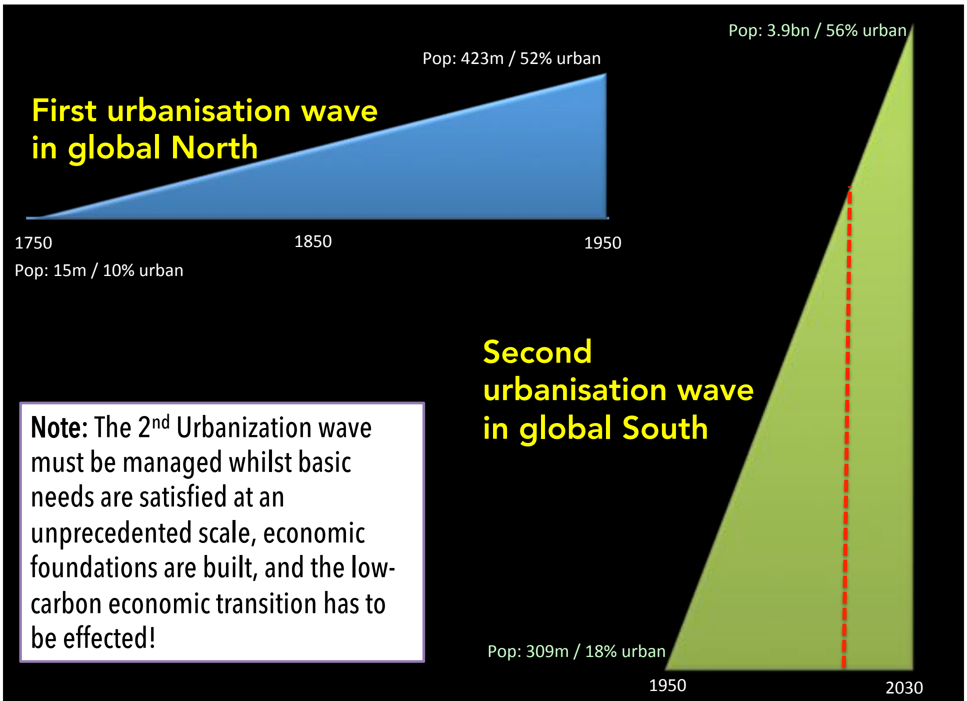
AFRICAN CENTRE FOR CITIES

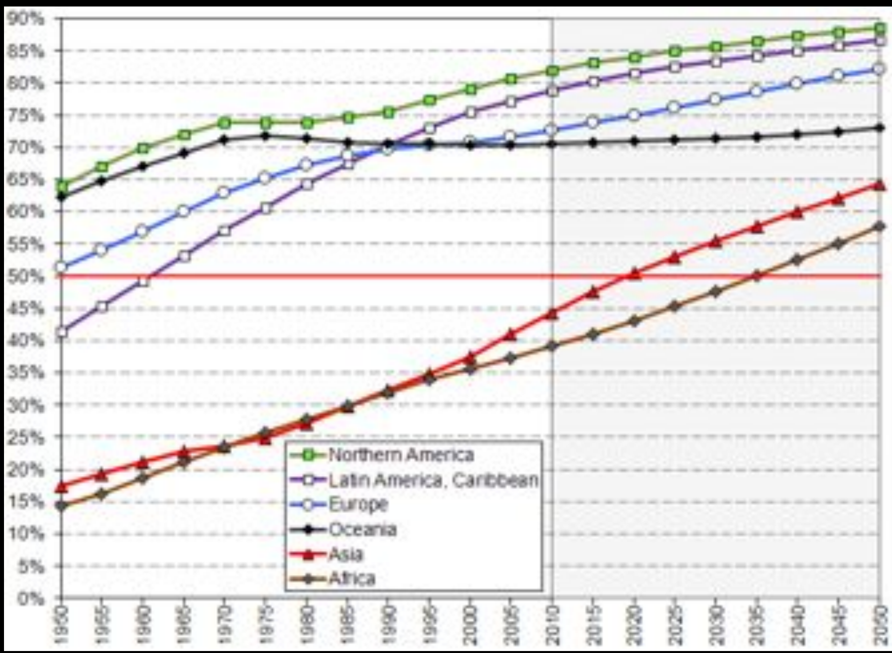
1. Urbanisation trends & pressures
2. Informalisation logics
3. Research & Policy Frames



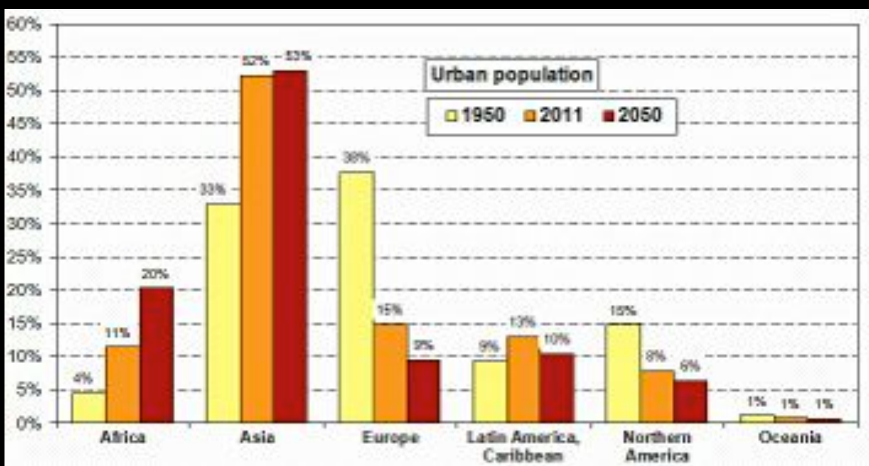
URBANISATION TRENDS & PRESSURES



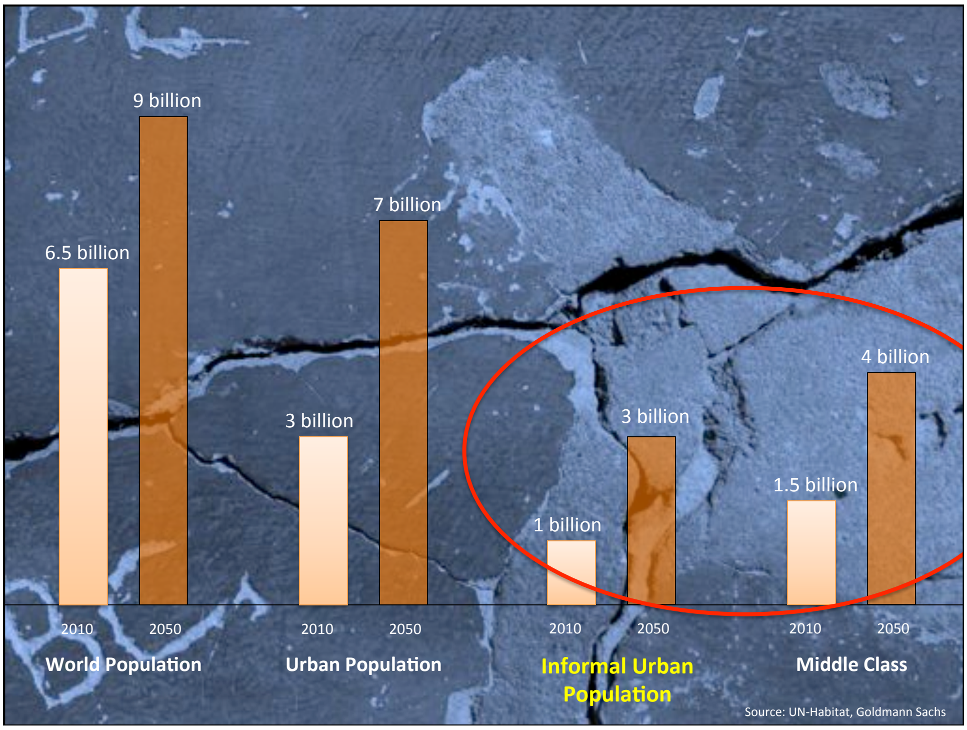
Note: The 2nd Urbanization wave must be managed whilst basic needs are satisfied at an unprecedented scale, economic foundations are built, and the low-carbon economic transition has to be effected!

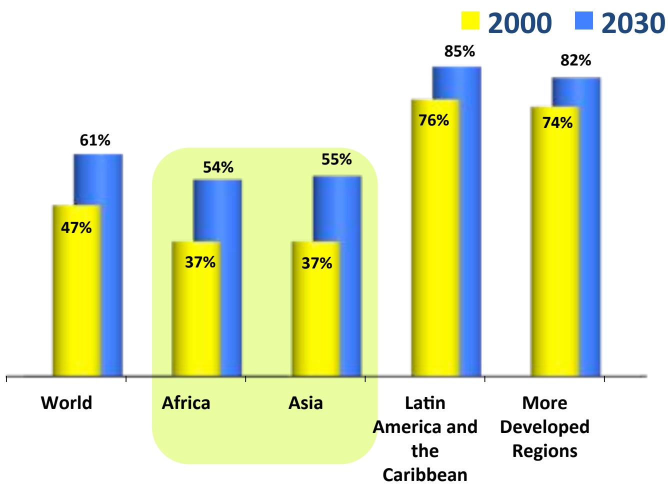


World Urbanization Prospects: The 2011 Revision. New York: United Nations

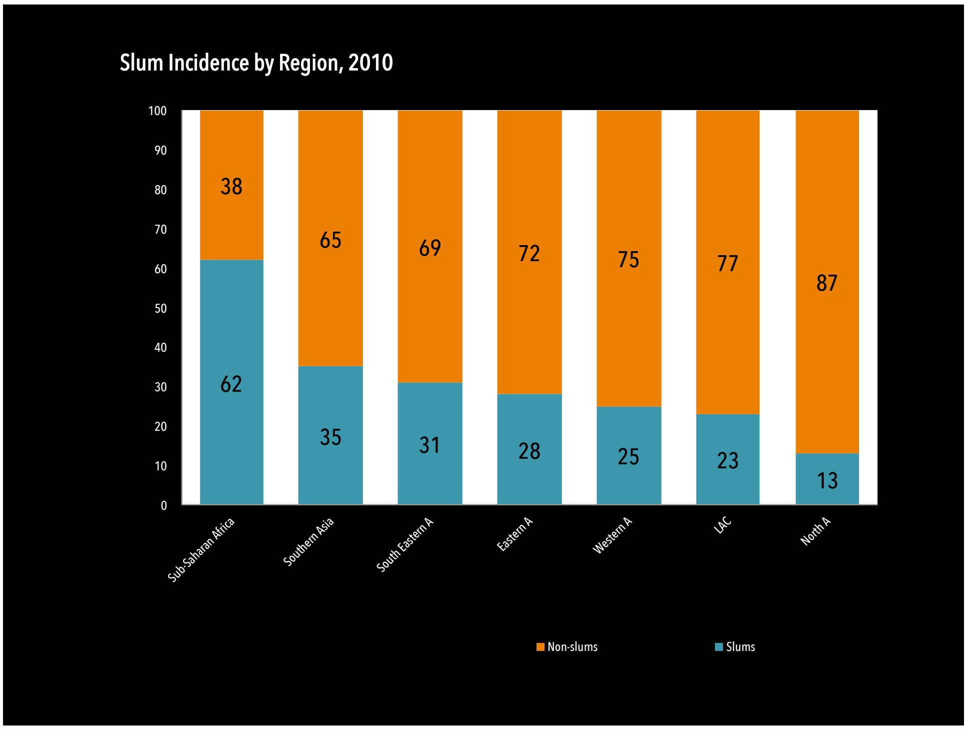


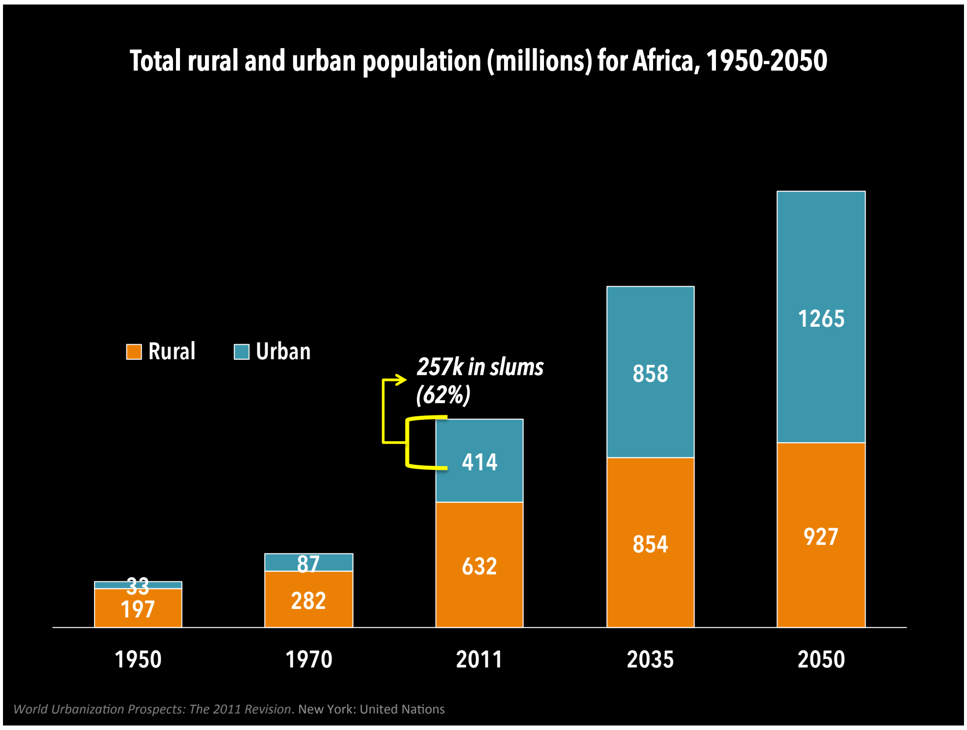
Source: United Nations, Department of Economic and Social Affairs, Population Division: *World Urbanization Prospects, the 2011 Revision*. New York, 2012



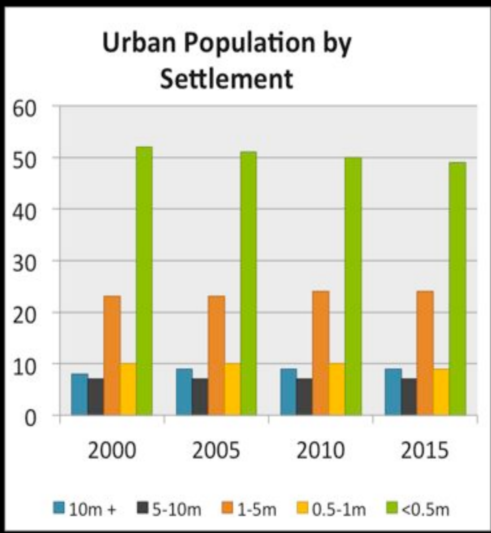


Most of new urban growth will be in small settlements of 100,000-250,000


Slum Incidence by Region, 2010
100
90
80
70
60
50
40
30
20
10
0
38
62
65
35
69
31
72
28
75
25
77
23
87
13
Sub-Saharan Africa
Southern Asia
South Eastern A
Eastern A
Western A
LAC
North A
Non-slums
Slums


Total rural and urban population (millions) for Africa, 1950-2050
Rural
Urban
257k in slums
(62%)
33
197
87
282
414
632
858
854
1265
927
1950
1970
2011
2035
2050
World Urbanization Prospects: The 2011 Revision. New York: United Nations

Urban Typology in Africa

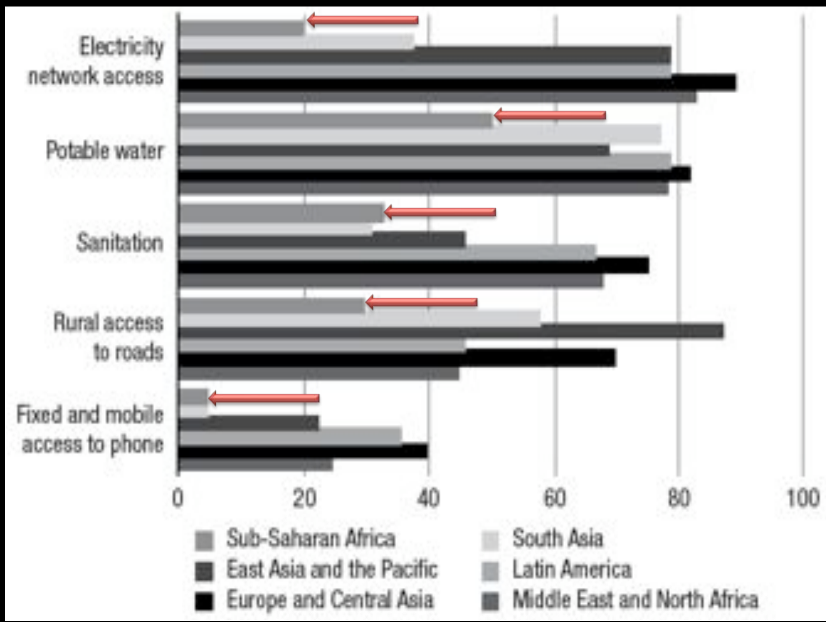


Structural poverty, inequality & limited employment manifest in Slum Living as the norm

Region	% Slums	Moderated (1-2 deficiencies)	Severely (3-4 deficiencies)
Sub-Saharan Africa	62	63	37
Latin America & Carr	27	82	8
Southern Asia	43	95	5

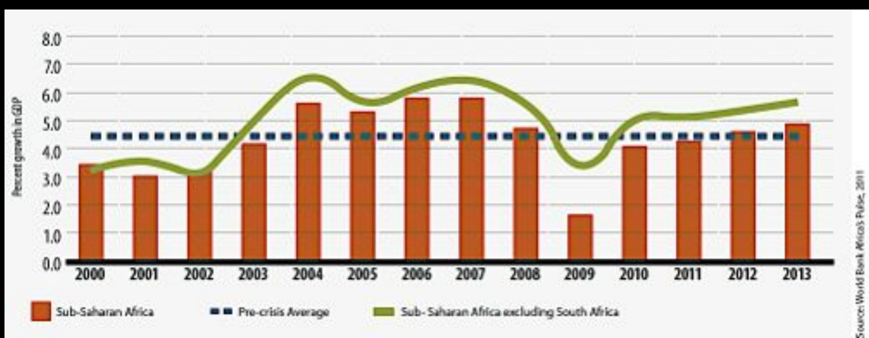
[1. overcrowding; 2. informal housing; 3. lack of access to water and sanitation; 4. insecure tenure]

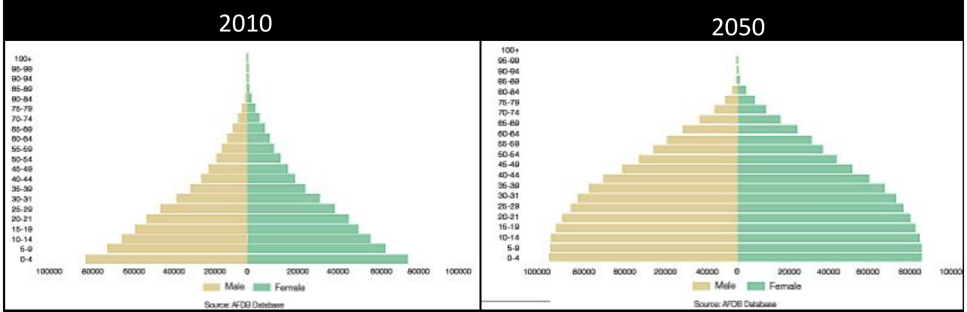
Source: UN-Habitat (2008) *State of African Cities Report*. Nairobi: UN-Habitat.



(Source: Ajulu & Motsamai 2008: 3)

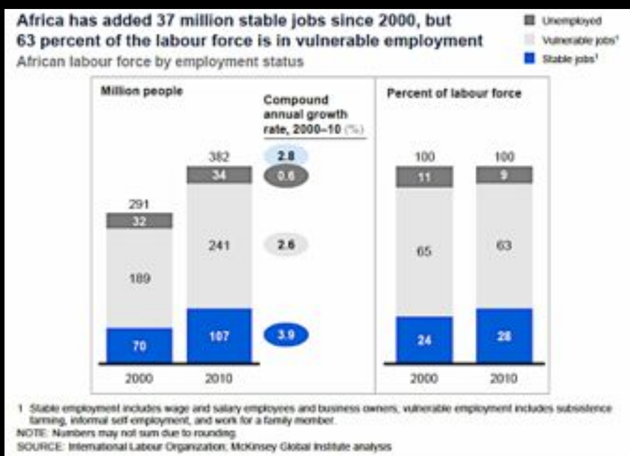
Sustained economic growth over past decade

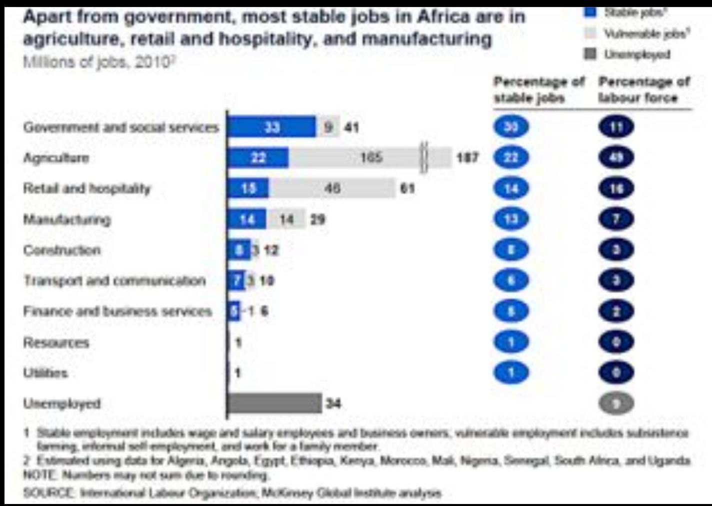


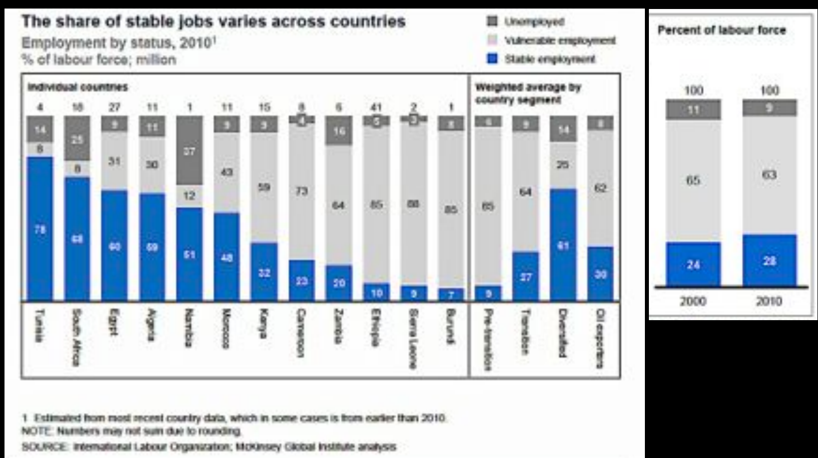


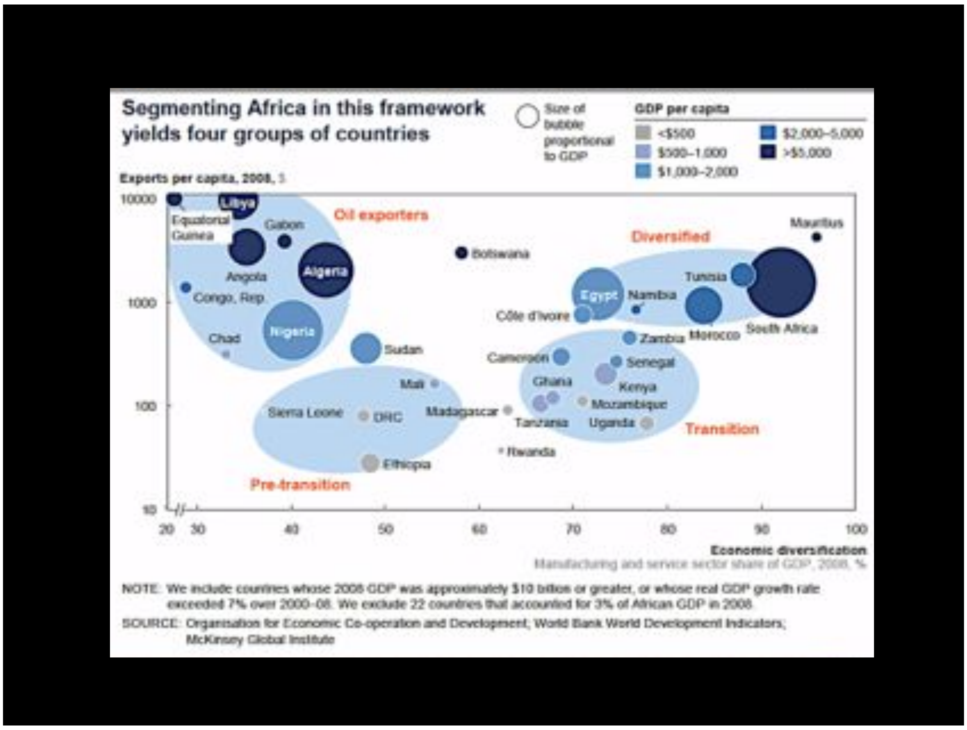
African Development Bank (2011) *Africa in 50 Years' Time. The Road Towards Inclusive Growth*. Tunis: ADB

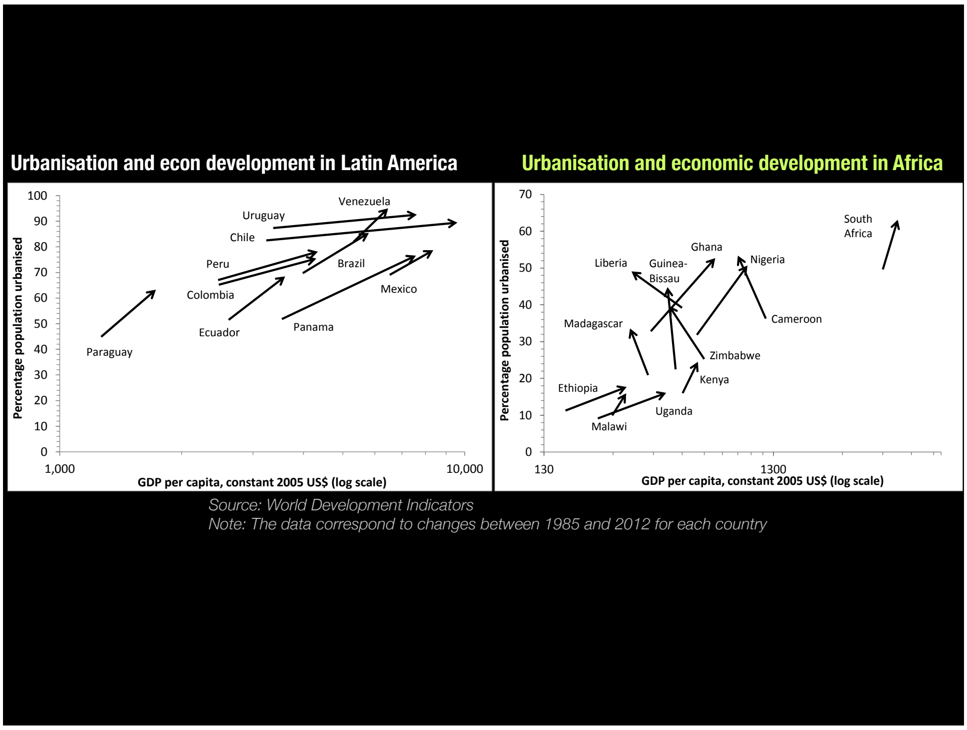
- Half of the population is 19 years old and younger
- The labour force is expected to triple between 2000-2040: rising from 400m to 1.2bn over the period
- But, presently, 63% are in vulnerable jobs and 28% in stable wage-earning positions




Apart from government, most stable jobs in Africa are in agriculture, retail and hospitality, and manufacturing
Millions of jobs, 2010[2]
Stable jobs[1]
Vulnerable jobs[1]
Unemployed
Percentage of stable jobs
Percentage of labour force
Government and social services
Agriculture
Retail and hospitality
Manufacturing
Construction
Transport and communication
Finance and business services
Resources
Utilities
Unemployed
1 Stable employment includes wage and salary employees and business owners; vulnerable employment includes subsistence farming, informal self-employment, and work for a family member.
2 Estimated using data for Algeria, Angola, Egypt, Ethiopia, Kenya, Morocco, Mali, Nigeria, Senegal, South Africa, and Uganda
NOTE: Numbers may not sum due to rounding.
SOURCE: International Labour Organization; McKinsey Global Institute analysis


The share of stable jobs varies across countries
Employment by status, 2010[1]
% of labour force; million
Unemployed
Vulnerable employment
Stable employment
Individual countries
Weighted average by country segment
Tunisia
South Africa
Egypt
Algeria
Namibia
Morocco
Kenya
Cameroon
Zambia
Ethiopia
Sierra Leone
Burundi
Pre-transition
Transition
Diversified
Oil exporters
Percent of labour force
2000
2010
1 Estimated from most recent country data, which in some cases is from earlier than 2010.
NOTE: Numbers may not sum due to rounding.
SOURCE: International Labour Organization; McKinsey Global Institute analysis


Segmenting Africa in this framework yields four groups of countries
Size of bubble proportional to GDP
GDP per capita
<$500
$500–1,000
$1,000–2,000
$2,000–5,000
>$5,000
Exports per capita, 2008, $
Oil exporters
Diversified
Transition
Pre-transition
Libya
Equatorial Guinea
Gabon
Angola
Algeria
Congo, Rep
Nigeria
Chad
Sudan
Botswana
Mauritius
Egypt
Namibia
Tunisia
Côte d'Ivoire
Morocco
South Africa
Zambia
Cameroon
Senegal
Ghana
Kenya
Mozambique
Tanzania
Uganda
Mali
Madagascar
Sierra Leone
DRC
Rwanda
Ethiopia
Economic diversification
Manufacturing and service sector share of GDP, 2008, %
NOTE: We include countries whose 2008 GDP was approximately $10 billion or greater, or whose real GDP growth rate exceeded 7% over 2000–08. We exclude 22 countries that accounted for 3% of African GDP in 2008.
SOURCE: Organisation for Economic Co-operation and Development; World Bank World Development Indicators; McKinsey Global Institute

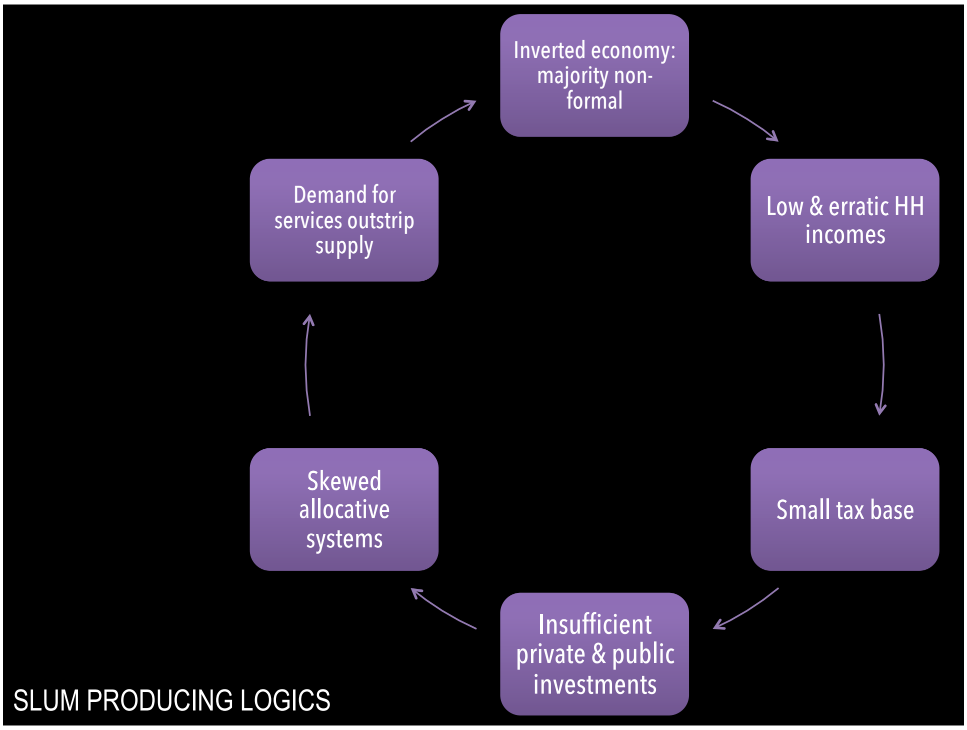

Urbanisation and econ development in Latin America
Percentage population urbanised
GDP per capita, constant 2005 US$ (log scale)
Venezuela
Uruguay
Chile
Peru
Brazil
Colombia
Mexico
Ecuador
Panama
Paraguay
Urbanisation and economic development in Africa
South Africa
Ghana
Liberia
Guinea-Bissau
Nigeria
Cameroon
Madagascar
Zimbabwe
Kenya
Ethiopia
Uganda
Malawi
Source: World Development Indicators
Note: The data correspond to changes between 1985 and 2012 for each country

"the informal sector contributes about 55 per cent of Sub-Saharan Africa's GDP and 80 per cent of the labour force"

- Mthuli Ncube, African Development Bank, 2013

Implication: The inability to generate sufficient wage-earning jobs means that most households will be unable to afford living in a formal house, pay taxes or contest the "rules of the game" when it comes to formal politics…

INFORMALISATION LOGICS



Reality Check

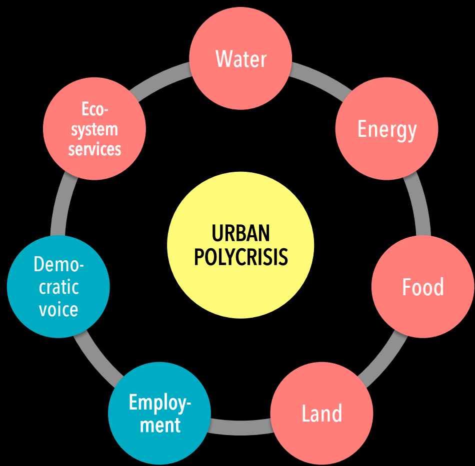
- Long-term under- and mal-investment in cities and urban infrastructures
- Immense pressure to address massive infrastructure backlogs through quick and dirty investments
- Turn-key projects driven by new investors often produce unsuitable outcomes: gated communities, malls, highways & other vanity projects to boost profile
- Net effect: dramatic sprawl, ecological degradation, increasing spatial and social divides & under-investment in slum areas…

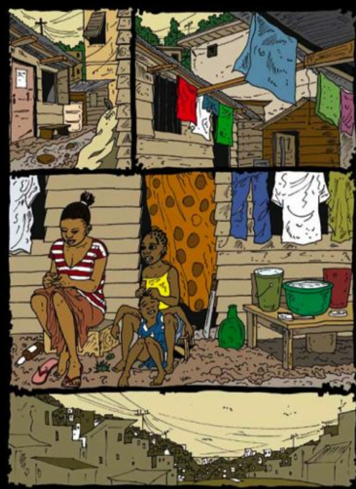
"4% of Africa's GDP was invested in infrastructure over the past decade, compared to China's domestic investment ratio of 14%"

Predominant condition: ***extreme splintered urbanism**—slum neglect combined with enclave elite urbanism*

proposed: *Cité du Fleuve*, Kinshasa

All things being equal, if current trends continue into the future, we can expect most African cities to demonstrate the agglomeration of multiple negative trends

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STRUCTURAL OBSTACLES:

- Limited state understanding or appetite to address urbanisation
- Regulations that penalize informality
- Distorted identity politics of affiliation overdetermine service delivery
- Costs of large-scale dysfunction paid by 'voiceless' slum dwellers
- Small & skewed formal economies—limited tax base
- And, most African countries manifest very limited substantive decentralisation…

RESEARCH IMPERATIVES & POLICY FRAMES

Depth: Intimate ethnography

CASE STUDIES

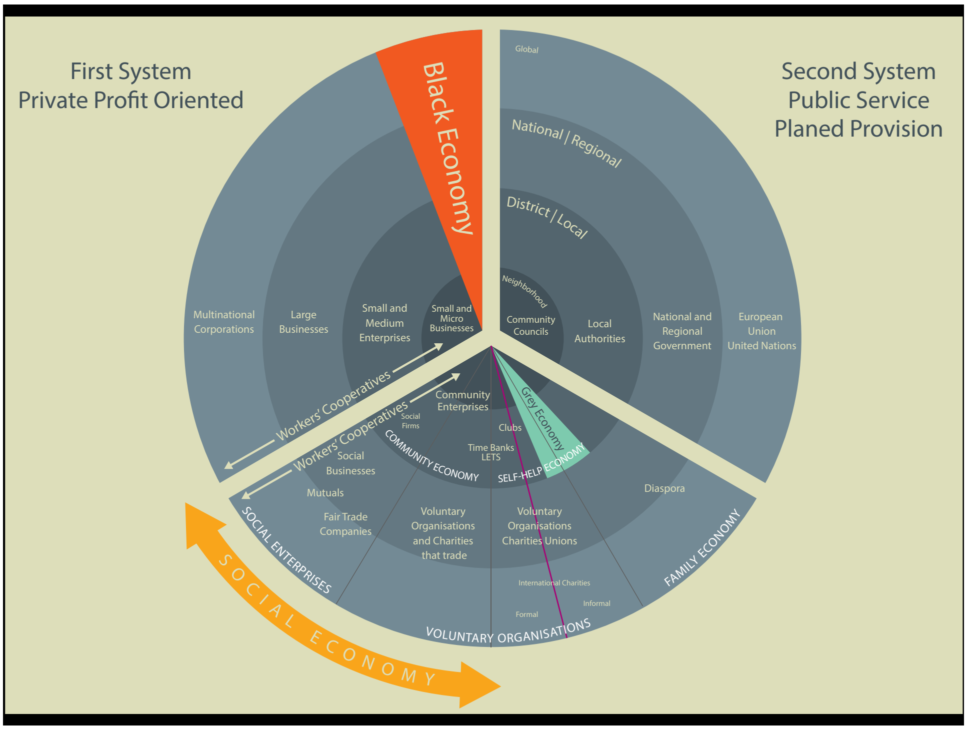
Theoretical searching, aesthetics, art and poetic

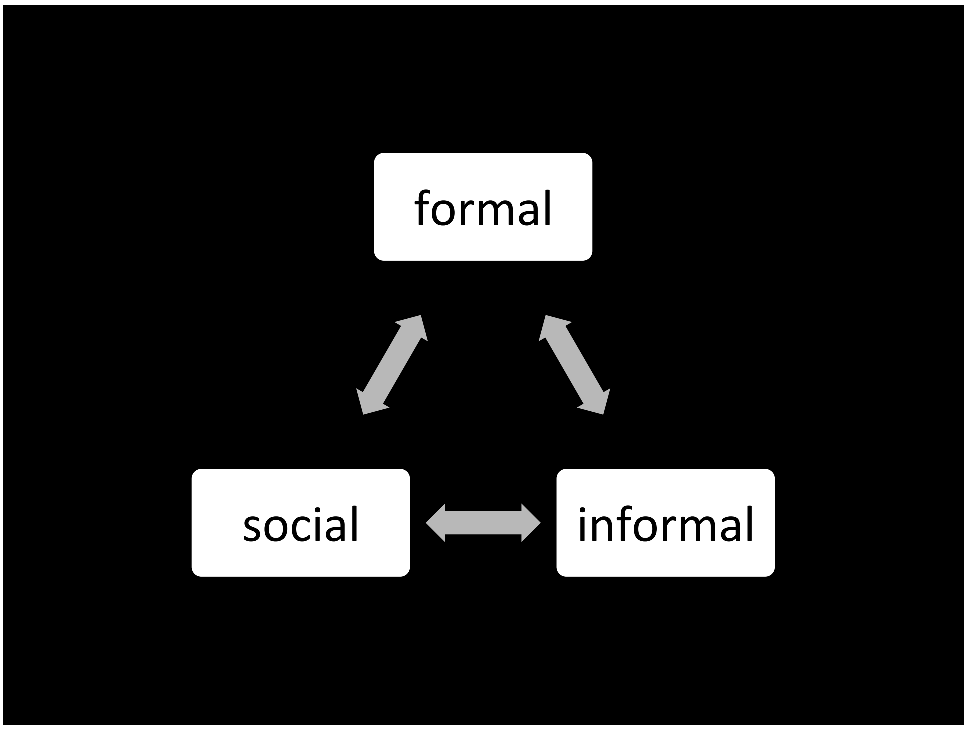
POLICY GUIDELINES, MONITORING TOOLS, SUPPORT SERVICES, IMPROVED INTEGRATION INTO MAINSREAM ECONOMY

Applied: Grounded ethical pragmatism

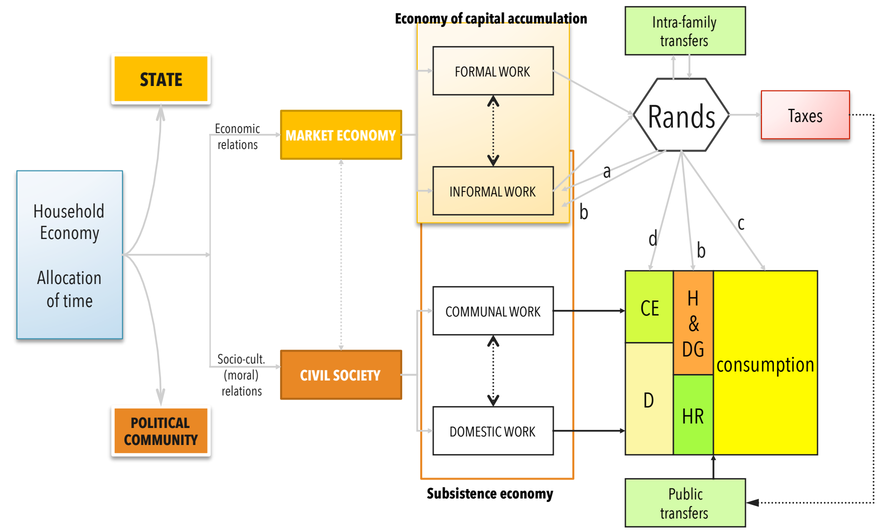
DATA STANDARDS, SURVEYS

Surface: Data, trends & materialities; Temporalities & Scales


First System
Private Profit Oriented
Second System
Public Service
Planed Provision
Black Economy
Global
National | Regional
District | Local
Neighborhood
Multinational Corporations
Large Businesses
Small and Medium Enterprises
Small and Micro Businesses
Community Councils
Local Authorities
National and Regional Government
European Union United Nations
Workers' Cooperatives
Workers' Cooperatives
Community Enterprises
Social Firms
Social Businesses
Grey Economy
Clubs
Time Banks LETS
COMMUNITY ECONOMY
SELF-HELP ECONOMY
Mutuals
Fair Trade Companies
Voluntary Organisations and Charities that trade
Voluntary Organisations Charities Unions
Diaspora
SOCIAL ENTERPRISES
FAMILY ECONOMY
International Charities
Informal
Formal
VOLUNTARY ORGANISATIONS
SOCIAL ECONOMY

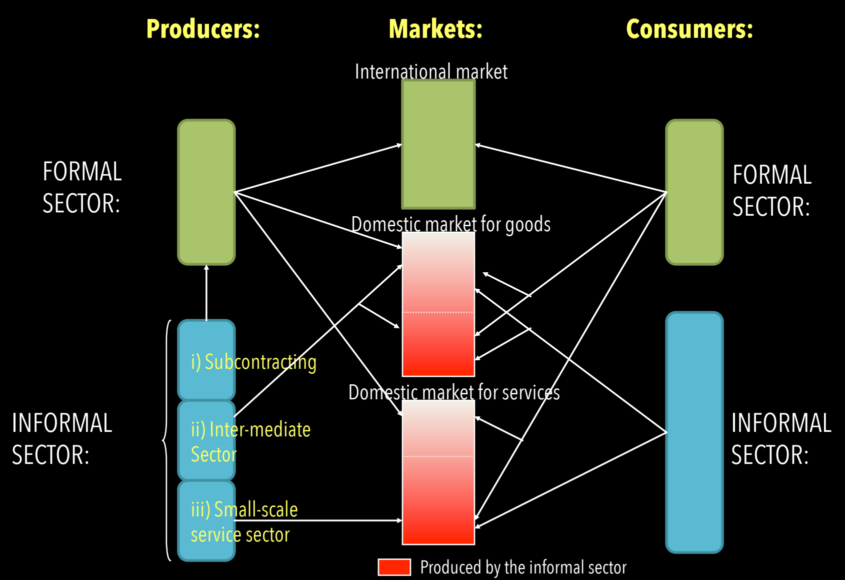

formal
social
informal

Whole Economy Model



(Source: J. Friedmann 1992: 50)

Relationship between Formal and Informal Sectors



(Source: J. Friedmann 1992)

"The informal is not just an image of precariousness; it is a compendium of practices, a set of functional urban operations that counter and transgress imposed political boundaries and hierarchic economic models. The hidden urban operations of the most compelling cases of informal urbanisation … need to be translated into a new political language with particular spatial consequences. This will lead to new interpretations of housing, infrastructure, property and citizenship, and inspire new modes of intervention in the contemporary city"

- Teddy Cruz, 2012.

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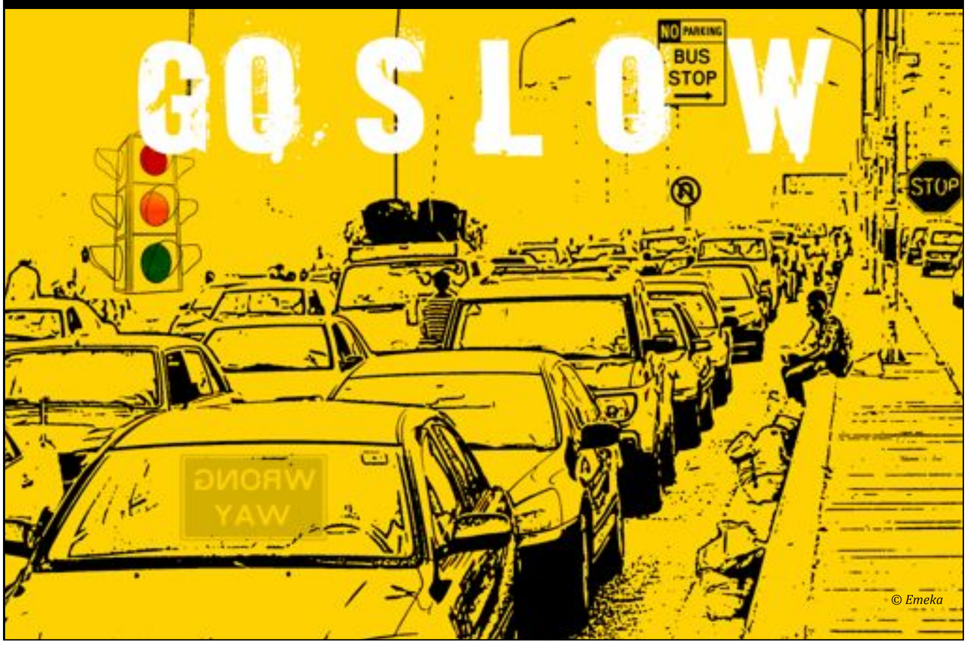

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