



ON MY MIND BY IAN MACLEOD



# KEYS TO PROSPERITY

Far from being ‘ugly ducklings’, secondary cities in Africa have an important role to play. The continent needs more of them — and bigger

**H**ennie Heymans, the CEO of DHL Express Sub-Saharan Africa, visits more than 20 countries across this region each year. Experiencing so many cities – small, medium and large – got him thinking about an often underappreciated key-stone in cityscapes.

“We often emphasise primary cities. These are the places that host the Olympic Games, attract head offices and welcome pop stars to 60,000-seater stadiums,” he says. “There is also a strong narrative on improving rural areas and uplifting small towns. But we do a great deal of business in secondary cities.

“They’re typically not big enough to host an international concert. But the sense I get from our activities on the ground and my travels is that they are impactful, dynamic, systemically important and must be emphasised if Africa is to thrive in decades to come. They’re also important connectors of people and goods. For Africa especially, it is important that we know more about second cities and help them to drive prosperity. As it is, many African second cities aren’t what they should be.”

Heymans’ musings kicked off our months-long exploration to test his hypotheses.

For starters, Africa’s second cities certainly aren’t what they should be. Work by consulting company McKinsey confirms that African second cities fall far behind their global counterparts when measured for size relative to their associated primary cities. They’re too small and too few.

Ruchir Sharma’s work provides a rule of thumb to evaluate this. The former head of emerging markets at Morgan Stanley argues in *The Rise and Fall of Nations* that a second city

should be no smaller than one-third the size of its primary city, measured by population.

Very few African second cities are above 50% by this measure and a number fall below 25% (see graph).

The benefits of growing the second cities are manifold. Second cities are dynamic. “Their relative status not only makes them vertically connected to the first-tier cities that are often much larger and much more global, but it also maps them horizontally onto the global circuit of ideas and practices that flow and traverse across national boundaries and locate them deeply into the local cultural and economic milieu,” Xiangming Chen and Ahmed Kanna wrote in 2012.

As Gad Perry, Melinda Laituri and Laura Cline (2020) put it, they “typically have closer economic and cultural ties with surrounding areas, compared to capital cities with their strong international connections. They may not be as famous or flashy as the megacities, but secondary cities in aggregate house many more people than the megacities – simply because there are many more of them.”

This is relevant to Africa, where so much scope exists for urbanisation. This is a potent way for populations to

grow more prosperous. People can leverage their productivity by moving to larger centres of commerce.

The African Development Bank and partners highlight this phenomenon with work published in 2022, using data from West Africa. They found that in rural areas hourly wages averaged \$0.51 and rose to \$1.03 in cities with populations larger than 1-million.

UN-Habitat (2022) confirms the “ugly duckling” status of second cities: “Residents of secondary cities endure multiple deprivations and infrastructure deficiency on account of this metropolitan bias.” It is not just the high-status global events such as sports competitions and rock concerts that tend to go to primary cities, but they also get disproportionate attention when it comes to basic infrastructure.

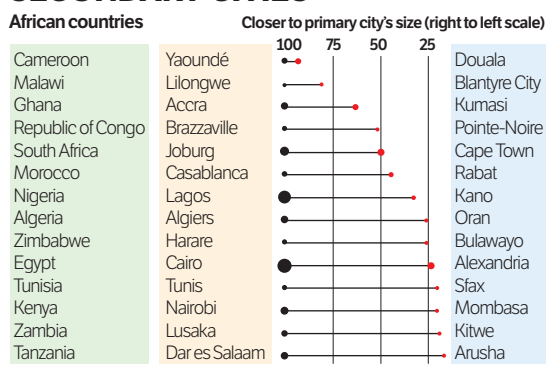
The winds of demographic change suggest that this will need to be revisited – especially in Africa. Many major cities have reached the point of diseconomies of scale. This was demonstrated by Susanne Frick and Andrés Rodríguez-Pose in a 2017 study using a panel of 113 countries studied over three decades. Their conclusion: “In contrast to the prevailing view that large cities are growth-inducing, for a majority of countries, relatively small cities of up to 3-million inhabitants are more conducive to economic growth.”

Africa’s population is growing faster than that of any other continent, urbanisation is also picking up pace, and while some regions face an ageing

population, Africa’s is youthful. The continent is full of entrepreneurial spirit and bursting with potential. Cairo, Lagos and Joburg will be important to ensuring this turns into a demographic dividend, inclusive development, economic growth and job creation. Kumasi, Oran and Kitwe – and the many other cities of intermediate size – will be no less important. ✕

**The Centre for African Management & Markets at the Gordon Institute of Business Science conducts academic and practitioner research and provides strategic insight on African markets. Macleod is a founding member**

## SECONDARY CITIES



● Primary city ● Secondary city ● Circle size = population (5m)  
Source: McKinsey & company based on Oxford economics data