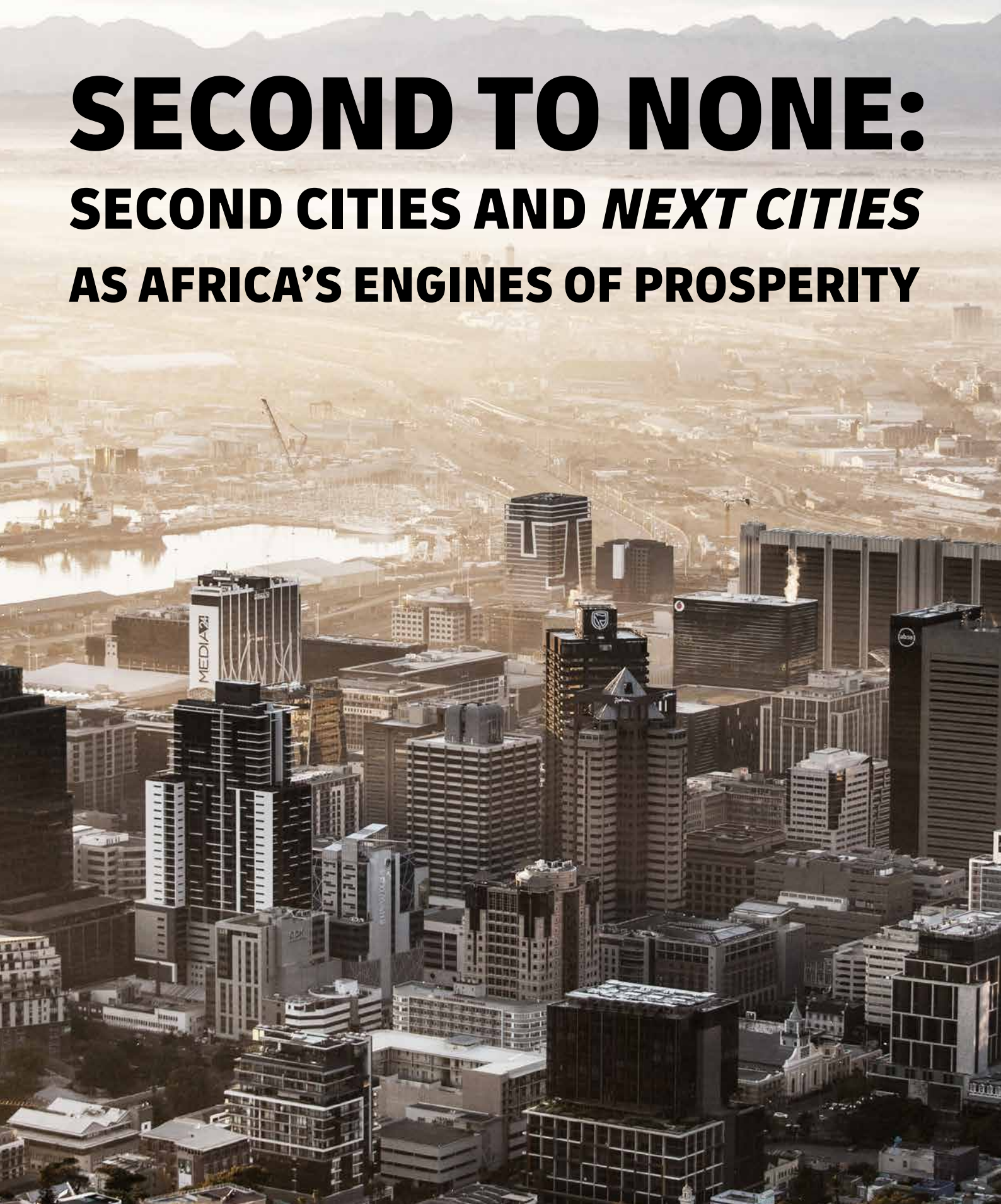




in partnership with
**Gordon Institute
of Business Science**
Centre for African
Management and Markets

SECOND TO NONE: SECOND CITIES AND *NEXT CITIES* AS AFRICA'S ENGINES OF PROSPERITY



Centre for African Management and Markets (CAMM)

CAMM at the Gordon Institute of Business Science (GIBS) conducts academic and practitioner research and provides strategic insight on African markets. Our purpose is captured in our mission of “Build. Connect. Do.” We are proud to be one of the centres at the heart of GIBS, ranked as the African continent’s leading business school. This embeddedness provides a credible and respected base, and a powerful network of researchers, practitioners, academics, and policy workers throughout the continent. Our footprint is driven by our conviction that Africa’s innovation and competitiveness is intimately connected to traversing borders with Africa-wide trade, cross-border investment activity, and pan-African business initiatives.

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Rabat, Morocco

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FOREWORD

Cities are already the locus of 80% of global GDP and home to more than half of the world's population. Further, the United Nations (UN) anticipates that the world's urban population will grow to 6.7 billion in 2050 from a base of just 4.2 billion in 2018, with close to 90% of this increase taking place in Asia and Africa.

This means populations across major cities will grow at unprecedented rates. But it is not just capitals and megacities that face great challenges and opportunities. Often overshadowed by their more renowned counterparts, the multitude of smaller cities are poised to play a critical role in the unfolding demographic shift.

Second cities provide a cultural and economic bridge between rural areas and big cities. They are often levers for regional and global trade. In the African context, the narrative of urbanisation is rapidly evolving, with second cities emerging as dynamic hubs of innovation, opportunity, and resilience.

Africa's second cities embody a rich tapestry of diversity, reflecting the continent's multifaceted identity and historical legacy. From vital logistics and shipping hubs like Mozambique's Beira, to the academic centre that is Rabat in Morocco, to the Democratic Republic of the Congo's mining fulcrum of Lubumbashi and the tourism gem in South Africa's crown that is Cape Town, second cities take a multitude of forms, while sharing important traits.

In partnership with the GIBS Centre for African Management and Markets (CAMM), DHL Express SSA has embarked on this research paper to understand the complexities of and opportunities that lie in these urban centres across sub-Saharan Africa. The paper captures the unique potential for Africa's second cities to take advantage of the so-called demographic dividend and generate prosperity for the continent.

This paper rounds out with a selection of evidence-based approaches that business leaders and policymakers can wield to address the challenges that second cities face and, indeed,



leverage powerful demographic, social and economic forces to build a better continent for tomorrow.

I extend my sincere appreciation to the authors of this research paper for their dedication, insight, and scholarly rigour. Their work represents a significant contribution to our understanding of Africa's urban landscape, laying the groundwork for further analysis and action. This paper is designed to open dialogue, collaboration, and positive change, inspiring us to unlock the full potential of Africa's second cities.

A handwritten signature in black ink, appearing to read 'H. Heymans', written over a horizontal line.

Hennie Heymans

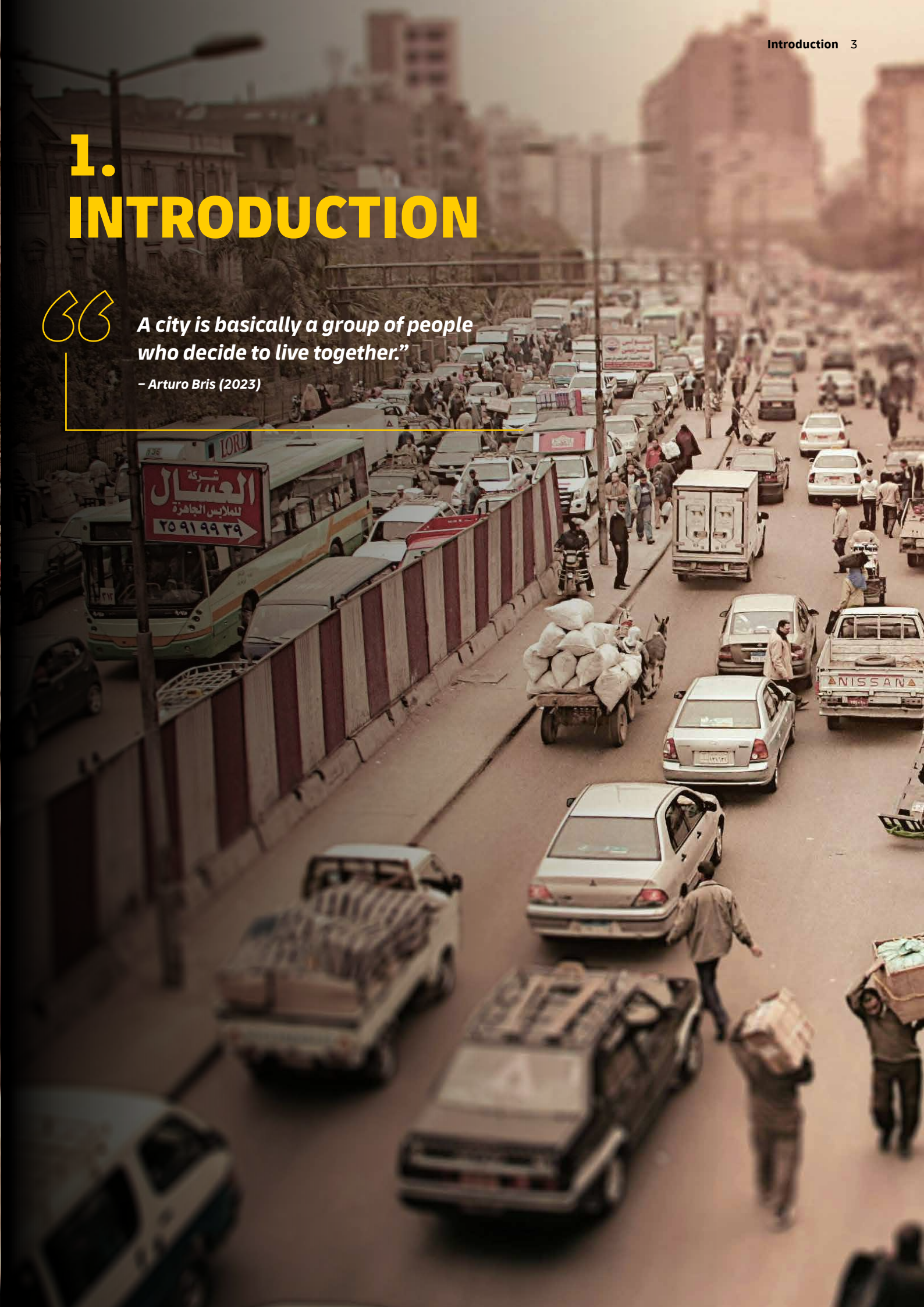
CEO, DHL Express Sub-Saharan Africa

1. INTRODUCTION



A city is basically a group of people who decide to live together.”

– Arturo Bris (2023)



We take cities for granted. It feels like we've always had them. Like it's a given that as many as several million of us will live together – and literally on top of one another – in a noisy, largely self-sustaining, symbiotic experience. But perhaps it isn't so obvious. It certainly hasn't always been.

Humans have existed for far longer without cities than with them. While there are many benefits, there are also unavoidable negatives to living in a city – from limited space to congestion and pollution. And plenty of benefits of a life in a town, village or on a farm – most obviously, network effects and the comfort of community for gregarious creatures.

Given that well over half of the global population now lives in cities¹, we can deduce that there are irresistible forces that pull us in that direction. Forces that are not going away. The World Bank expects urbanisation to continue apace, and for 70% of people to live in cities by 2050².

This presents both a tremendous opportunity and a serious risk. As this report will evidence, cities are great enablers of the very best of our collective selves. They can make us more productive, innovative and creative. From businesses and scientific discoveries to the arts, cities act as conduits. Likewise, cities can foster our collective worst. Poorly run cities can be enablers of vice, inequality and decay.

As Bryan, Glaeser, and Tsivanidis put it, “Cities are the home of market failures, both positive and negative. They present ... the angels and the demons of human behaviour.”³

Given that cities are destined to grow rapidly in the years to come, it must be a global imperative to ensure they grow in such a way as to catalyse and nourish the best of humanity.

To embark on this daunting task, it is important to determine where our efforts will be best directed. Where can we avoid the most harm and generate the most prosperity in cities of the future?

In this report, we submit that the oft-overlooked second city is an appropriate focal point for our efforts. Often referred to

as intermediary cities or secondary cities – we use the terms interchangeably in this report – second cities are home to a larger proportion of the world's population than megacities, small cities or rural areas. They also have the greatest scope to grow. Second cities “are living open systems acting as laboratories for experimentation.”⁴

That means it is second cities where the greatest potential for gains in prosperity – or losses – reside.

Standing out from the rest of the world, second cities in Africa demand particular attention. The continent's second cities are set to grow faster than those of any other region. Additionally, Africa's population is a young one that is coming from an economically low base.

Africa's second cities represent a social, political and economic opportunity of seismic proportions. With a deep understanding of the dynamics that make second cities prosper, we will be equipped to build the institutions, policies and infrastructure to help this potential becoming fulfilled.

While reading this report, we invite you to keep in mind the words of Parag Khanna, who asked his TED audience, “I want you to reimagine how life is organised on Earth. Think of the planet like a human body that we inhabit. The skeleton is the transportation system of roads and railways, bridges and tunnels, air and sea ports that enable our mobility across the continents. The vascular system is what powers the body or the oil and gas pipelines and electricity grids that distribute energy. The nervous system of communication comprises the internet cables, satellites, cellular networks and data centres that allow us to share information in this ever-expanding infrastructural matrix that already consists of 64 million kilometres of roads, 4 million kilometres of railways, 2 million kilometres of pipeline and 1 million kilometres of internet cables. What about international borders? We have less than 500 000 kilometres of borders. Let's build a better map of the world.”⁵

¹ World Bank (2023).

² Ibid

³ Bryan, G., Glaeser, E., & Tsivanidis, N. (2020). Cities in the developing world. *Annual Review of Economics*, 12, 273-297.

⁴ Chakwizira, J., Matamanda, A. R., Nel, V., & Chatiza, K. (2024). The Future of Secondary Cities in (Southern) Africa: Concluding Remarks and Research Agenda. *Secondary Cities and Local Governance in Southern Africa*, 313-327.

⁵ Khanna, P. (2016). How megacities are changing the map of the world. TED Talk.

2. DEMOGRAPHY AND DESTINY



Ghandi famously said that the future of India was in its villages rather than its cities. With all due respect, the great man was deeply wrong. The future of India is very much in its cities.”

– Edward Glaeser (2019)



If villages, towns and cities are the fruits of our coming together, demography is the substrate that feeds this process.

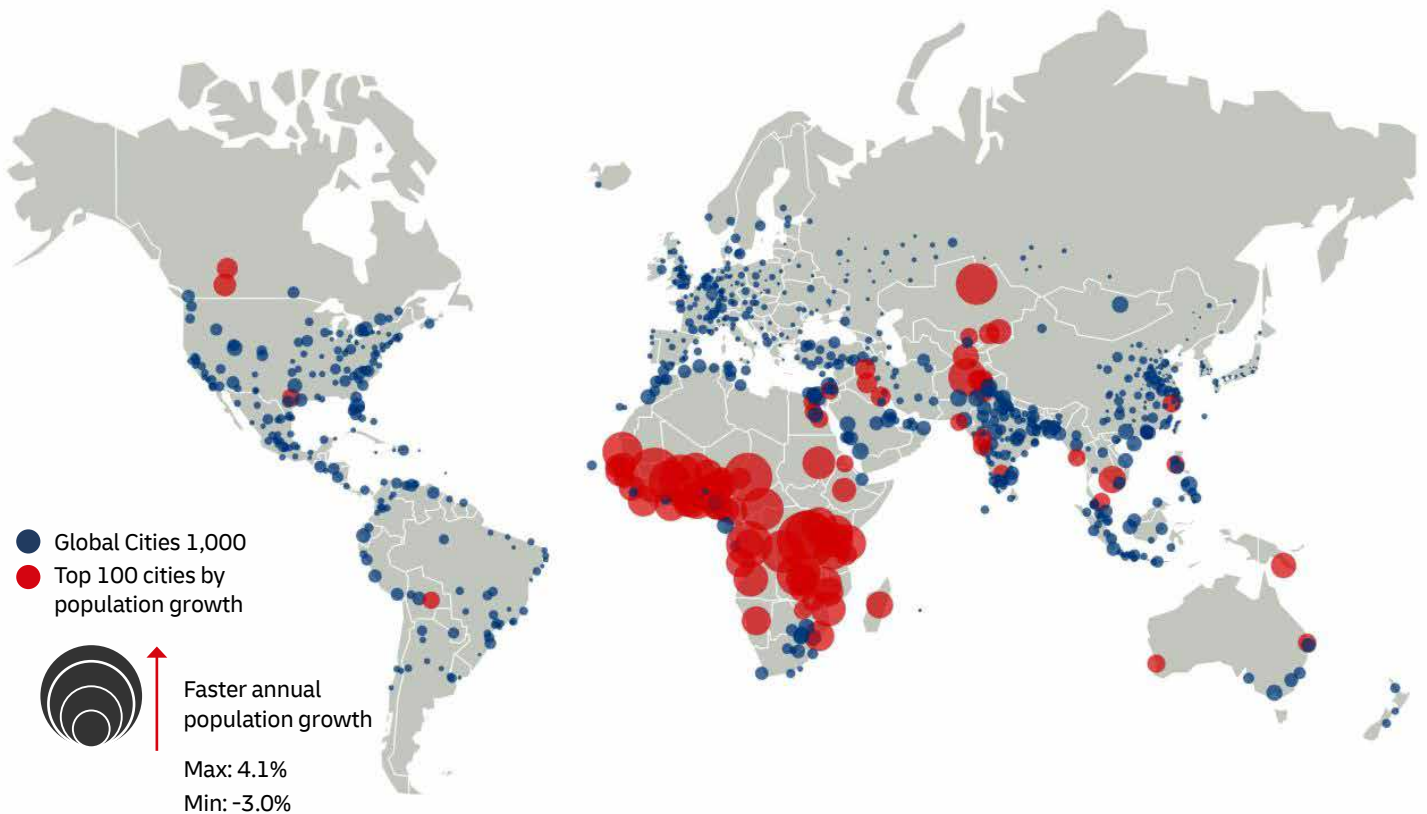
The UN reckons that the world’s urban population will grow from the 4.2 billion it was in 2018 to 6.7 billion in 2050, with “close to 90% of this increase taking place in Asia and Africa.”⁶

Indeed, Africa is urbanising at a faster rate than any other continent. According to McKinsey, 57% of Africa’s population lived in rural areas in 2019, but “the continent is urbanising faster than any other place on the planet. Since 2000, Africa’s urban population has grown 3.7%, outpacing overall population growth on the continent of 2.5%. ”⁷ A map produced by Oxford Economics⁸ uses a graphical representation to show just how dominant African cities are set to become between now and 2050 when measured by population growth.

“The scale of the demographic changes set to occur in sub-Saharan African cities is very striking when placed in the global context,” the report argues. “Between 2023 and 2050, the total population of our 1,000 global cities will increase by 568 million people. And the 86 sub-Saharan cities in this analysis will account for 35% of this rise, equating to an additional 200 million people. By 2050, the region’s cities will be home to 420 million people.” In effect, Africa’s rising urbanisation will build the equivalent of a brand new city of nearly 10 million people each year for a generation.

The report includes a prediction that “GDP in sub-Saharan cities will increase at an annual average rate of 2.9% during 2024-50, comfortably outpacing all other parts of the world,” but with the warning that “sub-Saharan cities will continue to trail behind the rest of the world when it comes to income per person.”

FIGURE 1: PREDICTED POPULATION CHANGE (%/Y) OF CITIES BETWEEN 2024 AND 2050



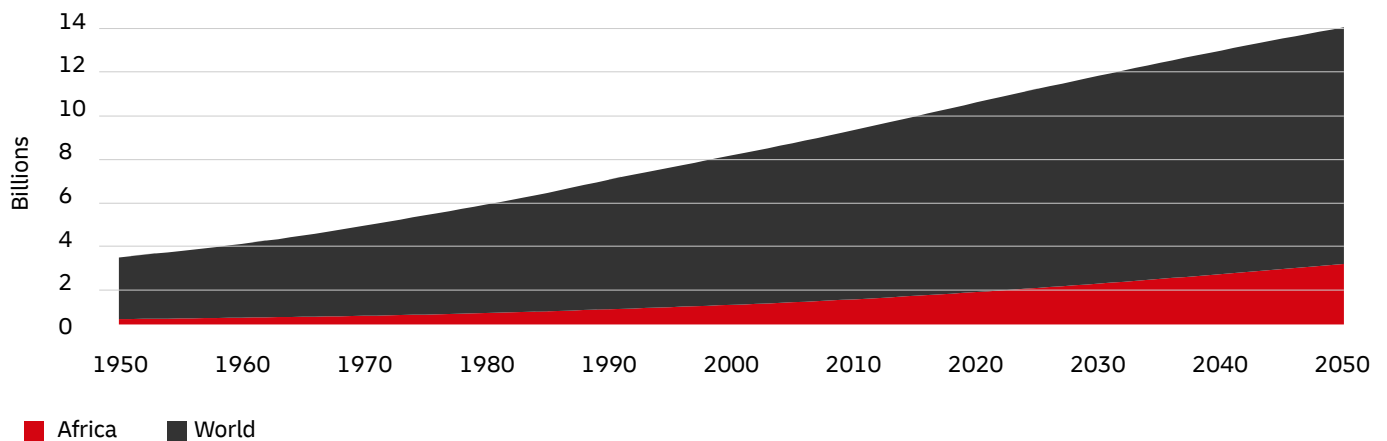
Source: Oxford Economics Global Cities (2023)

⁶ United Nations. (2018). 2018 Revision of World Urbanization Prospects. United Nations Department of Economic and Social Affairs.
⁷ Kuyoro, M., Leke, A., White, O., Woetzel, J., Jayaram, K., & Hicks, K. (2023). Reimagining economic growth in Africa: Turning diversity into opportunity. McKinsey Global Institute Special.
⁸ Parker, D. (2014). Sub-Saharan African Cities: The key issues shaping the long-term urban outlook in sub-Saharan Africa. Oxford Economics.

Africa's population is also set to become a larger proportion of the global population, rising from 17% in 2020 to a forecast 25% by 2050.⁹

Also, a rising proportion of Africans will be in their working years – contrary to the experience in many other parts of the world, especially North America, Europe, and parts of Asia.

FIGURE 2: WORLD AND AFRICAN POPULATION

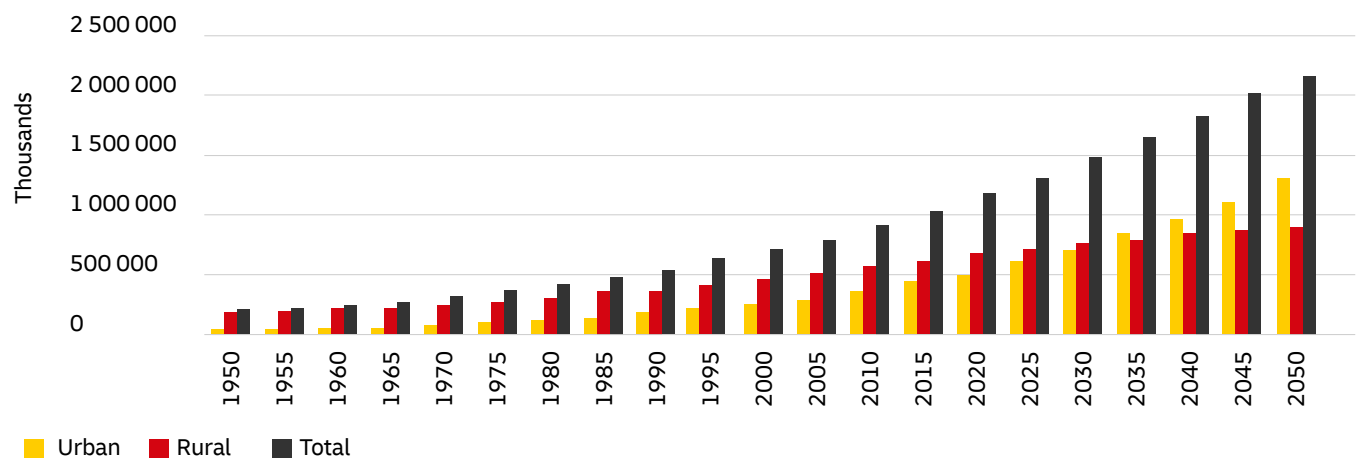


Source: Ambrosetti (2022) using UN Department of Economic and Social Affairs data (estimations beyond 2022)

According to the UN, sub-Saharan Africa is on track to become more urban than rural some time between 2030 and 2035.¹⁰

And that difference will continue to grow for decades to come.

FIGURE 3: URBAN AND RURAL POPULATION IN SUB-SAHARAN AFRICA – 1950-2050 (ESTIMATED BEYOND 2018)



Source: UN DESA (2018)

⁹ African Futures. Institute for Security Studies.

¹⁰ Sustainable Development Goals Report (2018). United Nations.

The cities of Africa will be the most dramatically impacted by population growth and urbanisation. Africa is home to 15 out of the 20 fastest growing cities in the world. Moreover, this trend is accelerating.¹¹

By 2030, every city on this top-20 list will be on the African continent.¹²

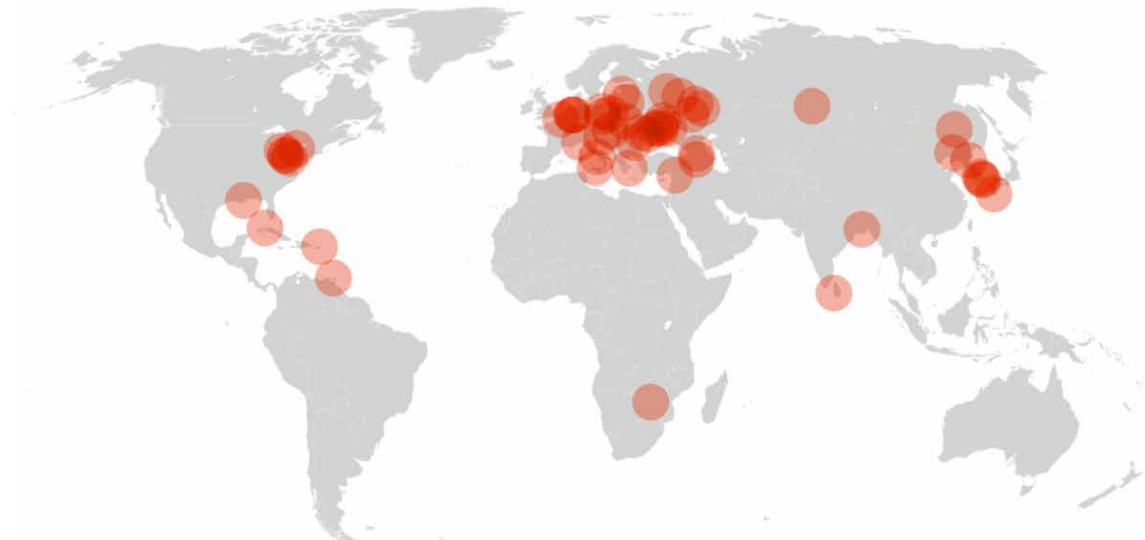
FIGURE 4: FASTEST-GROWING CITIES IN THE WORLD (% ANNUAL GROWTH RATE, PROJECTIONS) 2025-2030



Source: The European House – Ambrosetti based on United Nations, Department of Economic and Social Affairs (2022)

This is not against a backdrop of static cities or cities growing gradually. Many cities around the world are in population decline. UN data shows that out of the 1,146 cities with 500,000 inhabitants or more in 2018, 52 suffered a population decline since 2020.¹³

FIGURE 5: CITIES WHERE THE POPULATION DECLINED BETWEEN 2000 AND 2018



Source: United Nations (2018)

¹¹ The European House – Ambrosetti based on United Nations, Department of Economic and Social Affairs (2022).
¹² Ibid.
¹³ United Nations. The World’s Cities in 2018.

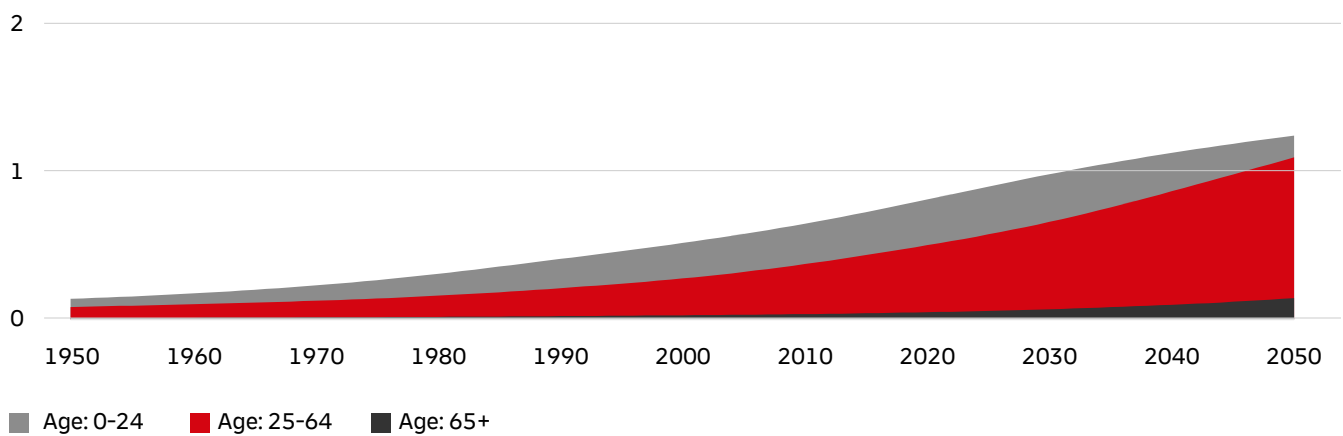
DEMOGRAPHIC DIVIDEND

There is an important nuance about the precise way Africa’s population numbers are growing. It gives the continent a chance at benefiting tremendously from a so-called demographic dividend. This dividend occurs in populations with disproportionately large numbers of people in their working years. Managed properly, this phenomenon can be harnessed. A large, productive, healthy, innovative cohort can uplift an entire continent – or at least entire countries, or perhaps

whole cities. Notably, and notwithstanding perceptions to the contrary, these ingredients are present in many places of Africa’s demographic landscape.

The rapid growth in African population will happen chiefly among those of working age. As Figure 6 below shows, numbers of those aged between 25 and 64 grow fastest of all age brackets over the next 25 years.

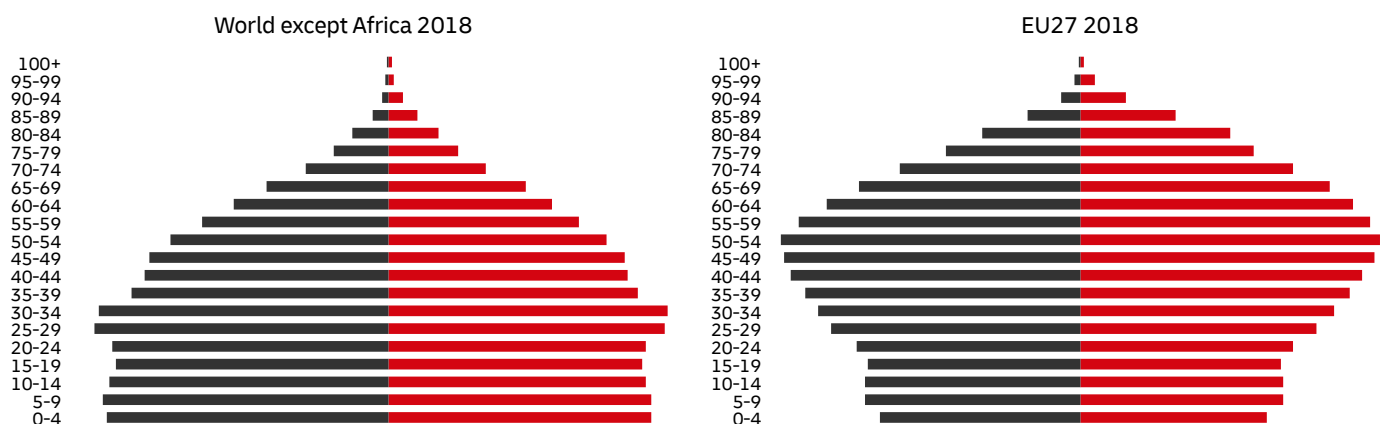
FIGURE 6: SHARE OF AFRICA’S POPULATION GROWTH BY AGE BRACKET

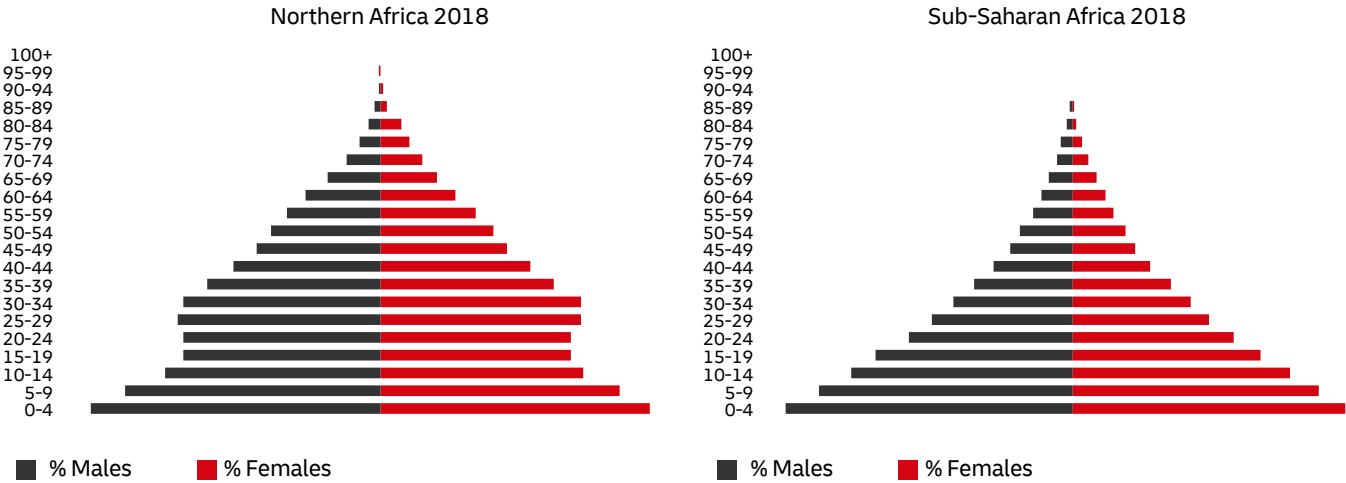


Source: Ambrosetti (2022) using UN Department of Economic and Social Affairs data (estimations beyond 2022)

The potential for a demographic dividend is best displayed with population pyramids. Using this analysis, note how the figure for sub-Saharan Africa in particular is wide lower down, meaning a relatively larger part of the population is young. Contrast this with Europe, with a large proportion of people either in retirement or nearer to the end of their careers.

FIGURE 7: POPULATION DISTRIBUTIONS (%) BY AGE





Source: UN Population Division (2017)

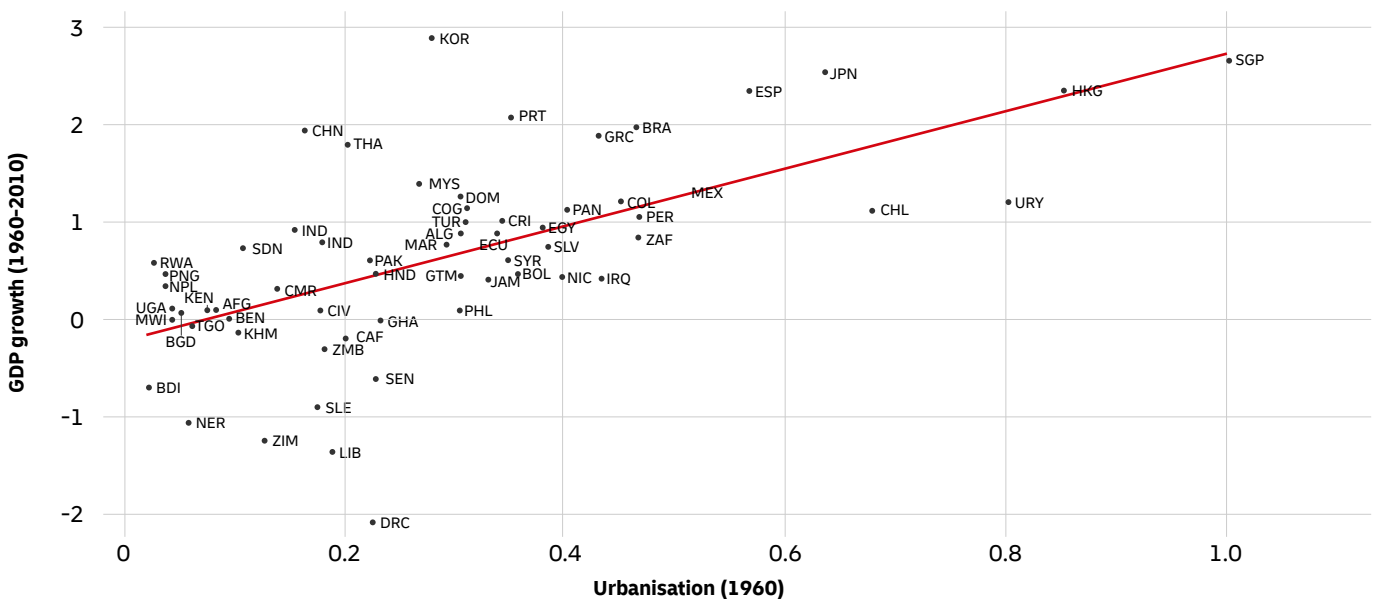
Of course, a demographic dividend is not guaranteed by the simple fact of a large, young population. This group needs to be educated and healthy, with access to institutions and infrastructure that affords opportunity and enables growing productivity. This experience accords with to so-called “Asian miracle.”¹⁴

Such a young population needs places like cities with thriving education hubs, booming tech sectors and plentiful housing. A demographic dividend has to be earned, and put differently, a demographic dividend needs a place to happen.

OPPORTUNITY WAITS FOR NO CONTINENT

There is robust evidence that no country can grow prosperous without urbanising. Figure 8¹⁵ below captures this phenomenon by showing the correlation between urbanisation levels in 1960 and growth in subsequent decades for a sample of countries that were poor in 1960.

FIGURE 8: GDP GROWTH (% , 1960-2010) VERSUS URBANISATION LEVELS IN 1960



Source: Ammann, C., Sanogo, A., & Heer, B. (2022)

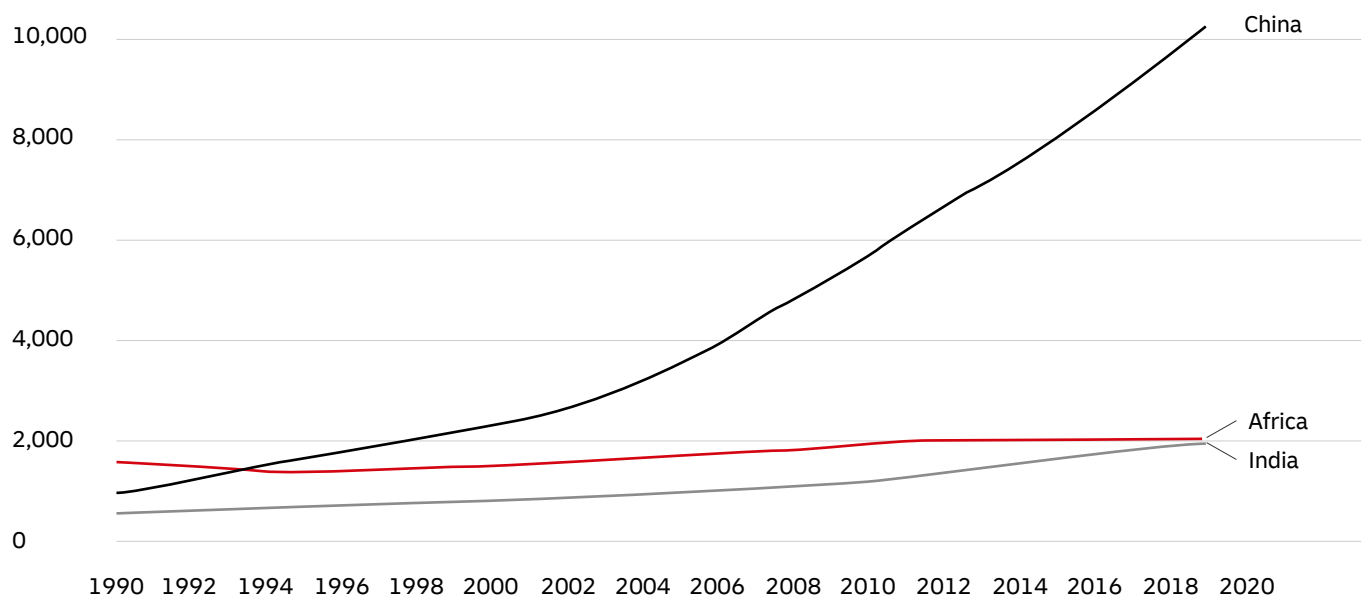
¹⁴ Studwell, J. (2013). How Asia works: Success and failure in the world’s most dynamic region. Grove Press. International Growth Centre.
¹⁵ Bryan, G., Glaeser, E., & Tsivanidis, N. (2020). Cities in the developing world. Annual Review of Economics, 12, 273-297.

Looking at data including Figure 8 above, authors Bryan, G., Glaeser, E., and Tsivanidis, N. (2020) argue that “these figures suggest enormous possibilities”. They pose the question: “Is there something that Malawi could do, some action that its government could take, that would allow the 75% of its workers who work in rural areas in agriculture to access the productivity levels of its non-agricultural, more urban workers, increasing their productivity above that of Great Britain?”¹⁶

There is no reason why this should not be the case.

Africa’s real GDP per capita has grown at 1.1% annually since 1990. During this time, China has caught up and then left the African continent behind. India recently matched Africa’s income per person. In this time, China and India have seen the emergence of megacities and alongside this, the growth of vital second cities. To be among the economic winners in the decades to come, the power of cities – in particular, second cities – must be harnessed.

FIGURE 9: REAL GDP PER CAPITA FROM 1990 TO 2020, AFRICA, CHINA AND INDIA (2015 US DOLLARS)



Source: McKinsey & Company (2023) using World Bank, UN Department of Economics and Social Affairs

CAVEAT POLICYMAKER

Despite strong evidence that urbanisation tends to produce prosperity, there is potential for urbanisation to be done poorly. This warning is made crisply in 2022 by Ahimah-Agyakwah, S., Nketiah-Amponsah, E., and AgyireTettey, F.: “Notwithstanding, the poverty reduction potential of urbanisation is not automatic and requires enormous investment in public infrastructure to achieve.”¹⁷

Urbanisation for its own sake would be unwise. “Governments should seek out ways of enabling forms of urbanisation that contribute to growth, poverty reduction and environmental

sustainability, rather than encouraging (or discouraging) urbanisation per se.”¹⁸

This risk is particularly acute in Africa. Comparing sub-Saharan Africa with East Asia, we see the mixed outcomes of urbanisation. Between 1990 and 2016, major Asian nations universally experienced growth in share of urban population along with growth in income per person.¹⁹ Among the nine African nations studied, six showed similar trajectories. However, three experienced a growing urban population and declining income per person.

¹⁶ Bryan, G., Glaeser, E., & Tsivanidis, N. (2020). Cities in the developing world. *Annual Review of Economics*, 12, 273-297.

¹⁷ Ahimah-Agyakwah, S., Nketiah-Amponsah, E., and AgyireTettey, F. (2022). Urbanization and poverty in sub-Saharan Africa: Evidence from dynamic panel data analysis of selected urbanising countries. *Cogent Economics & Finance*.

¹⁸ Turok, I., & McGrandahan, G. (2013). Urbanisation and economic growth: the arguments and evidence for Africa and Asia. *Environment & Urbanisation*.

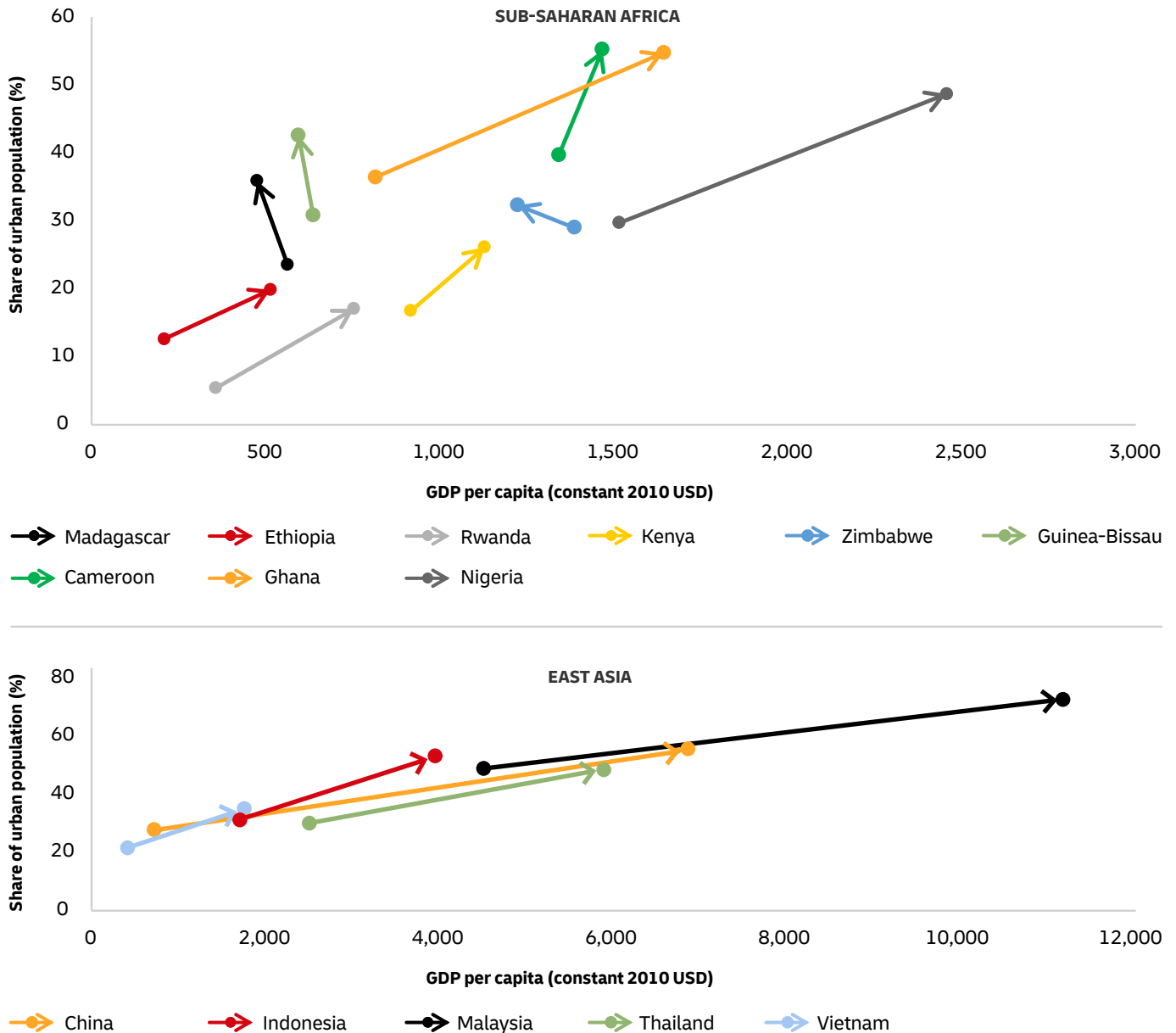
¹⁹ Page, J., Gutman, J., Madden, P. & Gandhi, Dhruv. (2020). Urban economic growth in Africa: A framework for analysing constraints to agglomeration. Working paper 24. Africa Growth Initiative at Brookings Institute.



More than ever, cities are the lifeblood of the global economy. Their competitiveness increasingly determines the wealth and poverty of nations, regions and the world. Hence, what makes cities successful must be one of the most important questions of the 21st-century political economy.”

– World Economic Forum (2014)

FIGURE 10: URBANISATION VERSUS GROWTH IN EAST ASIA AND SUB-SAHARAN AFRICA



Source: Page, J., Gutman, J., Madden, P., & Gandhi, Dhruv (2020) using Hommann & Lall (2019) based on World Development Indicators

There is no shortage of bad futures for poorly managed cities. Sassen (2008) warned more than a decade back that “my most pessimistic scenario is that conflict is now wired into urban space itself, partly due to gentrification and displacement and the resulting politics for space.”

Urbanisation presents opportunities and risks. The process needs to be done well to reap the benefits and avoid the many pitfalls.

3. THE POWER OF CITIES



If you want to understand 5,000 years of Chinese civilisation look at Xi'an, for 1,000 years look at Beijing, for modern China look at Tianjin."

– A popular saying in Chinese urban geography and architecture

So, demography matters. We thrive when we connect in productive ways. We don't plan for it. It is in our human nature to come together, interact and learn. Networks develop. Skills, resources and needs fit together as if directed by some invisible puzzle builder above.

However, there are better and worse ways to agglomerate. When we do it badly, some of our worst propensities are exposed. Our ability to synergise might mean crime syndicates. Our productive capacities can mean waste and degradation. Gains from trade can be exploitative.

It was Shlomo Angel who coined the term "planet of the cities" in his book of the same name.²⁰ That is proving prescient.

The phenomenon of the city can be viewed as a centuries-old project to harness the energy released when humans come together, so as to avoid the highlighted maladies. Cities, run well, let us synergise to build businesses. They foster productivity we could not imagine alone or in small groups. And they provide guard rails that make our interactions mutually beneficial.

There are powerful network and scale effects that come from large numbers of people living nearby. Adam Smith's "invisible hand" metaphor captures how larger numbers of people in closer proximity can specialise more, trade more and thereby generate greater prosperity for themselves and the collective.²¹

More brains in one place also means more ideas and more combinations of different ideas. Large universities with diverse faculties compete and interact to build new models of the world and conjure up better ways to build bridges. Entrepreneurs combine their skills and energy in novel ways.

As Edward Glaeser puts it, "Humans are a social species that gets smart by being around other smart people".²²

Novel niches also emerge. Where a village had a need for only one grocery store, a city will need a chain of grocery stores, small grocery sections in corner cafes and fruit vendors on the street.

We can sum this up with the three elements of agglomeration economies: matching, sharing, learning.²³

Cities produce bang for buck. Today, just over 55% of the world's population live in cities, and account for 80% of the world's GDP.²⁴ No matter which country or region you look at, prosperity cannot be achieved without urbanisation.

We can state this relationship quantitatively, too. Consider data for 29 countries in sub-Saharan Africa between 1985 and 2019 on the relationship between urbanisation and poverty. As the chart below illustrates, "the poverty reduction effect of urbanisation, as indicated by the negative correlation coefficients between urbanisation level and the poverty headcount ratio, is -0.543".²⁵

²⁰ Angel, S. (2021). *Planet of the Cities*. Columbia University Press.

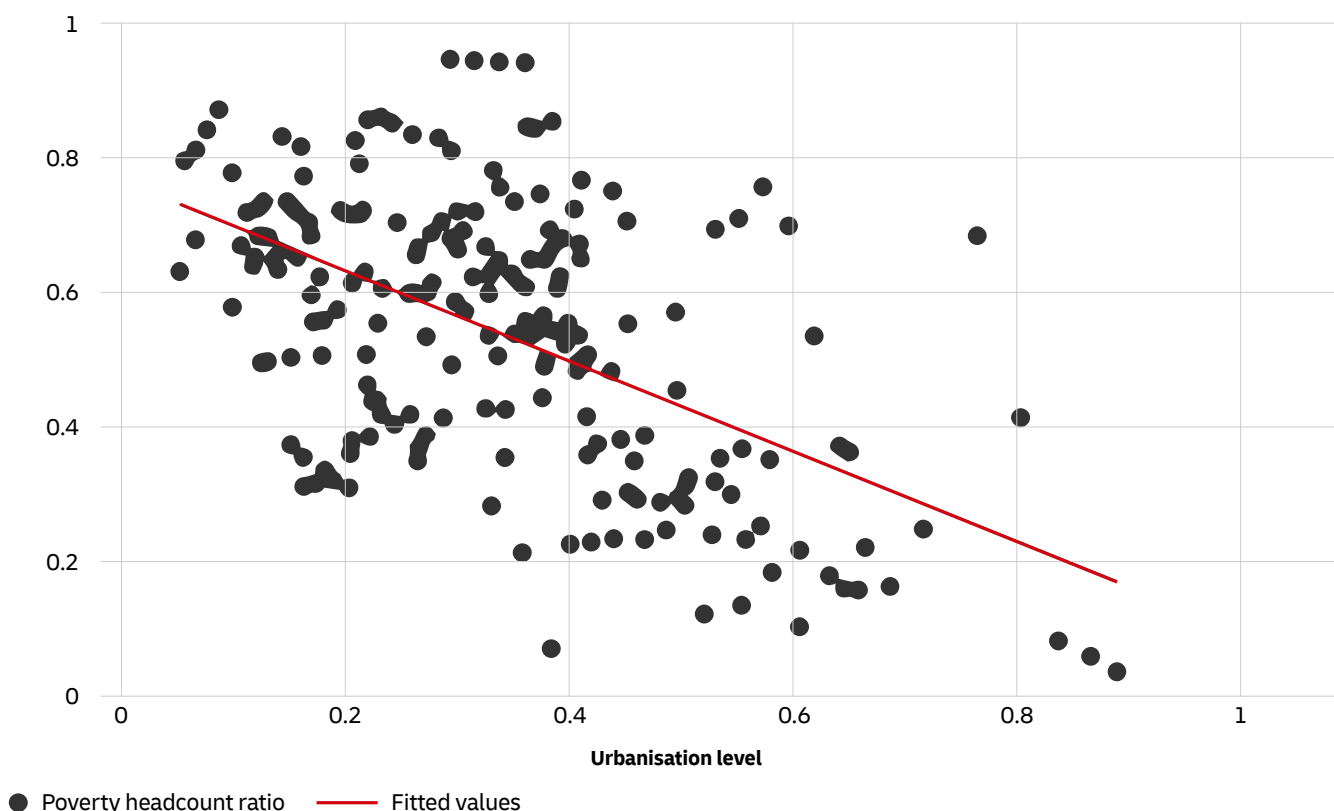
²¹ Rodriguez, M. (2023). From the Wealth of Nations to the Global City (over two hundred years of insights on the city and migration). *Ethnic and Racial Studies*. Vol. 46, NO. 11, 2565–2590.

²² Glaeser, E. (2019). Should We All Be Living in Cities? *Harvard Magazine*. Podcast.

²³ Bolter, K., & Robey, J. (2020). Agglomeration economies: A literature review. Fund for our Economic Future (FFEF), W.E. Upjohn Institute for Employment Research.

²⁴ World Bank. (2019).

²⁵ Ahimah-Agyakwah, S., Nketiah-Amponsah, E., & Agyire-Tettey, F. (2022). Urbanisation and poverty in sub-Saharan Africa: evidence from dynamic panel data analysis of selected urbanising countries. *Cogent Economics & Finance*.

FIGURE 11: POVERTY HEADCOUNT RATIO VERSUS URBANISATION LEVEL (1985-2019)

Source: Ahimah-Agyakwah, S., Nketiah-Amponsah, E., & Agyire-Tettey, F. (2022)

There can be no denying that cities – large and small – have been driving contributors of the staggering improvement in prosperity experienced in recent decades.

In this report, we focus on a specific type of cities: second cities. These are often underdogs. They don't get the acclaim of their big brothers and sisters. Rarely are they lionised in great works of literature or chosen for global sporting spectacles. Although sometimes, second cities achieve first place on the hosting podium – Barcelona, Montreal and Sochi stand out as examples in the modern Olympics. Still, the recognition tends to go to the premier cities, whose skylines are immediately identifiable around the world on postcards.

However, there is a limit to the benefits of today's megacities. The largest cities can force workers into lengthy commutes. The benefits of a city diminish with a driving time of more

than 40 minutes to the city centre, “tapering off quite sharply thereafter and having little or no effect beyond about 80 minutes. The agglomeration effects are four times stronger 30 minutes away than 60 minutes away. This finding has important implications for urban form and investment in infrastructure. It suggests that dispersed patterns of urban development undermine productivity and growth by lengthening commuting times and opportunities for face-to-face interactions.”²⁶

Large cities can also become poverty traps and contribute to violence if urban sprawl is not managed. For example, the outskirts of Addis Ababa have spread out and encroached on farmland, and the tensions created have contributed to violent riots.²⁷

All of this emphasises that big cities can get too big. Economies of agglomeration can turn into diseconomies.

²⁶ Turok, I., & McGrandahan, G. (2013). Urbanisation and economic growth: the arguments and evidence for Africa and Asia. *Environment & Urbanisation*, 25 (2) citing Rice, P., & Venables, A.J. (2004). Spatial determinants of productivity: Analysis for the regions of Great Britain. Centre for Economic Performance Discussion Paper No. 642.

²⁷ Cilliers, J. (2024). Combined Agenda 2063. Published online at futures.issafrica.org.

BENTLEY OR BUS: A GOOD CITY IS A GOOD CITY FOR EVERYONE

“Whether you’re in a Bentley or on a bus, you should have the same experience of a public space.” Siphелеle Ngobese, a senior researcher at South African Cities Network, recalls hearing this quote from urban management practitioner Brian Wright. She wholeheartedly agrees.

Ngobese is a frequent participant in peer-to-peer exchanges with urban planning counterparts in other countries. “The challenges are universal, be it Gqeberha or Nürnberg,” she explains, “but the dynamics of how they play out are unique to each city.”

Intermediary cities everywhere, like metros, face the challenge of CBDs in decline. “While this is common in South Africa,” explains Ngobese, “it is consistent with a global pattern of decentralising cities, characterised by capital flight from old CBDs, with many new ‘sub-CBDs’ forming. Think of a boarded-up downtown San Francisco, while Silicon Valley booms. This is compounded by remote work.

“In some contexts abroad, more people are leaving the old city for quieter suburban living. In South African cities, a major challenge is people living too far from where jobs are. Many spend 40% of their income on transport and an average of 40 minutes commuting just one way. For many more, these numbers are far worse.

“However, declining CBDs can be transformed into exciting spaces for experimentation. Cities, in partnership with the private sector and other actors, can test models for compact, thriving and people-centred spaces that contribute to the economy.”

Ngobese highlights initiatives in cities like Nürnberg, where parking spaces were reclaimed and turned into mini parks, public seating and even performance stages.

“Closer to home, in the Stanger CBD in KwaDukuza Municipality, the city together with key partners is testing the pedestrianisation of one of the major roads running through the CBD.

“Most impressive is how urban planners in both settings are working through institutional constraints and the initial resistance of some users to influence a reimagination and a more people-centred city.”

Ngobese hails Barcelona as one of her favourite examples of a thriving old CBD, even with shinier new places emerging all around it. “The old city centre remains the place to be for both locals and tourists. It is a great mix of residential, gastronomy, heritage architecture and modern art. There is also high-end retail side-by-side with medium and small business and local businesses next to migrant-owned shops.

“A key is walkability,” she reasons. “Elderly and people with impaired or limited mobility can navigate the city safely and access public transport independently, day or night.”

Ngobese derives many of her insights from her participation in the Dialogues for Urban Change (D4UC), a platform co-convened by the governments of Germany and South Africa, bringing together urban planners from Intermediary Cities (ICMs) in both countries. The associated Living Labs peer-to-peer learning approach, with its focus on applied learning, helps to explore everything from what one should consider when implementing a park in an informal settlement to improving the user experience of women traders in a taxi rank.

“We select and visit existing initiatives to revitalise an urban space, and then tackle challenges from a variety of perspectives. Colleagues from each country then give detailed advice based on their observations.”

“South African intermediate city municipalities, like Umhlathuze (Richard’s Bay), KwaDukuza and Stellenbosch, among others, are part of this initiative.”

Siphелеle Ngobese is a senior researcher at the South African Cities Network.

4. THE SECOND CITY PHENOMENON



The contribution of second-tier cities to innovative development is higher in Western European countries compared to Eastern Europe, where the innovation potential is largely concentrated in capitals.”

– Irina D. Turgel & Elizaveta A. Ulyanova (2023)

INTRODUCTION

To think of the second city crudely based on relative size or function is to miss an important nuance. Second cities possess unique characteristics and trends. Size and function matter. Proximity to rural communities does, too. As do population growth dynamics, political treatment, and more.

“Not enough attention is being paid to the fastest growing urban areas of all,” argues the Cities Alliance, “and the ones with the greatest potential to shape our urban future are smaller or medium-sized cities, or second cities.”²⁸

By definition, second cities have room to grow. They also play a vital connecting role. This means they benefit entire regions when they grow. Nearby megacities, smaller cities and villages benefit when second cities get their growth path right.

Chen and Kanna ask, “What can second[ary] cities ... teach us that we would not otherwise learn from and about?” Answering their own query, “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.”²⁹

By their very nature, being ‘in-between’ entities, second cities play an important connecting role.

Cape Town, South Africa



WHAT IS A SECOND CITY?

For most purposes, ‘we know one when we see one’ is sufficient for this phenomenon. To analyse second cities robustly, it is worth crafting a firmer categorisation.

The term “secondary city” is attributed to University of North Carolina’s professor Dennis, who is believed to have coined the term in the 1980s, while researching the economies around these cities.³⁰ Decades later, we lack a crisp, universally accepted definition. Second cities – or, if you prefer, secondary or second-tier cities – just aren’t the sort of things that lend themselves to neat, easy definitions. Some literature even uses “metro towns”, “satellite cities” and “middle cities” as synonyms.³¹

Indeed, “The concept of ‘secondary cities’ is both intuitively obvious and empirically slippery. Everyone seems to know what secondary cities are; they are the other cities, the less recognised, less celebrated cities you haven’t heard of, located just next to the famous cities that gather all the attention.”³²

The temptation is to define secondary cities quantitatively based on some measure of size. This approach risks missing the point. “While we agree that size plays a role,” say Ammann, Sanogo, and Heer³³, “quantitative criteria based on absolute numbers say very little about the political, social, cultural, and economic peculiarities and significance of a city. In this diverse and relational world of cities, a specific secondary city can look very different from another secondary city. We therefore question conceptualisations of secondary cities that focus solely on population size and ranking in the national and regional urban hierarchy.”

So, context matters. What is an important second city to one region might be a megacity to another and a small city to yet another. “Recognising the value of the specialised differences of cities and urban regions in today’s global economy shows how the deep economic history of a place matters for the type of knowledge economy that a city or a city-region ends up developing. This goes against the common view that globalisation homogenises economies. How much this deep economic history matters varies, and partly depends on the particulars of a city’s or a region’s economy. It matters more than is commonly assumed, and it matters in ways that are not generally recognised. Globalisation homogenises standards –

for managing, for accounting, for building state-of-the-art office districts, and so on. But it needs diverse specialised economic capabilities,”³⁴ as Saskia Sassen puts it.

Nonetheless, some basic quantitative measures are required to frame our study of second cities. Cities Alliance reckons second cities “range in population from 100,000 to 2.5 million, but they may be larger or smaller, depending on the size of a nation’s population.”³⁵ That is a useful guide.

Chen and Kanna make the following pithy and useful equivalence: “mid-sized cities, sometimes also called second-tier or secondary cities”. Secondary cities will frequently be mid-sized.

For current purposes, we avoid an attempt at a rigid definition of a second city. Our focus is on cities of substantial size that play an economically and socially secondary role to a primary city, but integrally connect rural areas, primary cities and foreign markets.

To this extent, we agree with Brian Roberts, whose definition of second cities hinges on the role they perform. Roberts argues that secondary cities “provide the link between the rural economy ... and the network of trading systems around the world.”³⁶ In this report, we use the terms “second city”, “second-tier city” and “intermediary city” interchangeably.

TYPES OF SECOND CITY

We can group second cities in terms of their spatial make-up and chief activities. Cities Alliance uses three categories:

- “Sub-national regional urban centres of administration, manufacturing, and agricultural development.
- Clustered secondary cities, which develop on the periphery of metropolitan or urban regions and take the form of new towns, spill-over growth centres, and linear cities. These may also include migrant and refugee cities.
- Corridor secondary cities developed along major transportation corridors.”³⁷

²⁸ The Role of Secondary Cities in a National System of Cities. Cities Alliance. Online resource.

²⁹ Chen, X., & Kanna, A. (2012). Secondary Cities and the Global Economy. *The European Financial Review*.

³⁰ Second cities: Economic engines of the future (2018). Council Journal.

³¹ Donaldson, R., Marais, L., & Nel, E. (2020). Secondary cities in South Africa. *Urban Geography in South Africa: Perspectives and Theory*, 121-137.

³² Pendras, M., & Williams, C. (2021). Secondary Cities: Introduction to a Research Agenda. In Pendras, M. & Williams, C. (Eds). (2021). *Exploring Uneven Development in Dynamic Urban Regions of the Global North*. Bristol University Press.

³³ Ammann, C., Sanogo, A., & Heer, B. (2022). Secondary Cities in West Africa: Urbanity, Power, and Aspirations. *Urban Forum* 33, 445–461.

³⁴ Sassen, S. (2008). The specialised differences of global cities. *Urban Age*. LSE Cities.

³⁵ Roberts, B.H. (2019). Connecting systems of secondary cities: How soft and hard infrastructure can foster equitable economic growth among secondary cities. Brussels, Belgium: Cities Alliance.

³⁶ Cities Alliance. (2019, August 2). What are Secondary Cities [Video].

³⁷ Roberts, B.H. (2019). Connecting systems of secondary cities: How soft and hard infrastructure can foster equitable economic growth among secondary cities. Brussels, Belgium: Cities Alliance.

5. SECOND TO NONE: THE POWER OF SECOND CITIES



The city is one of the highest pinnacles of human creation ... Through agglomeration, cities have the power to innovate, generate wealth, enhance quality of life and accommodate more people within a smaller footprint.”

– Blake Robinson, Mark Swilling & Andrew Rudd (2023)

Second cities have the makings of being the Cinderella story for African economies. Underappreciated and misunderstood³⁸ for too long, they are poised for the right conditions – their own version of a ball gown, a horse-drawn coach and an invitation – to fulfil their potential.

From vital logistics and shipping hubs like Mozambique's Beira to the academic centre that is Rabat in Morocco, to the Democratic Republic of the Congo's mining fulcrum of Lubumbashi and the tourism gem in South Africa's crown that is Cape Town, second cities take a multitude of forms, while sharing important traits.

Nonetheless, politics and commercial arrangements are such that grand infrastructure investments often go to capitals and primary cities.³⁹ As UN Habitat puts it, "Residents of secondary cities endure multiple deprivations and infrastructure deficiency on account of this metropolitan bias."⁴⁰

The network effects that second cities provide are also difficult to quantify and go unnoticed. Very often, a second city generates prosperity from unglamorous activities – shipping, mining or heavy industry, for example.

Major publicly listed companies also tend to predominate in big cities⁴¹ – New York, Johannesburg, or Tokyo. Smaller enterprises, with their foothold in second cities, may have a smaller voice than multinationals. That doesn't make them any less important.

To be sure, megacities have great benefits. However, "although these cities are in many ways the leading edge of urbanisation, grasping the limelight because of their influence and economic importance, they are not the fastest growing, nor do they represent the majority of the urban population."⁴²

Second cities "struggle to attract national attention or international investors and need to aim to receive a larger part of the national budget to develop their infrastructure."⁴³ There are potent reasons that the attention and investments are justified.

BY THE NUMBERS

Despite the vastness of individual megacities and their cumulative populations, collectively they are not home to a majority of the world's population. In Africa, the combined urban centres with less than 1 million people each absorb as much as 75% of urban population growth (UN Habitat, 2014). By sheer numbers, more lives can be impacted by focusing on rural dwellers, residents of second cities, and the movement between the two.

According to the "United Nations' forecasts on urban growth to 2030 and beyond, intermediate and big cities, but not megacities, will account for the largest share of urban growth in developing countries".⁴⁴

And in the words of Luc Christiaensen, head economist at the World Bank's Jobs Group, "The difference is that more people made the move to secondary towns than to the biggest cities, meaning poverty reduction is much greater as a result of the urbanisation of these secondary towns".⁴⁵

William Cobbett explains this succinctly: "The role of secondary cities is critical because this is where the bulk of urban growth is taking place. It's where numerically the majority of the world's urban population lives. It's also the site where the backlogs are the most intense and where capacity is weakest. If we do not take a look at the system of cities within a national economy, in other words, the relationship between small, medium and large cities, which join up into one national economy ... and it's really only urban development that's got the lifting capacity to bring a national economy out of poverty. So, if we ignore secondary cities, we're going to ignore a significant part of the economy."

The United Nations (UN) projects that most second-city growth will happen in the developing world. In their words, "The fastest-growing agglomerations are medium-sized cities and cities with 500,000 to 1 million inhabitants located in Asia and Africa".⁴⁶

ECONOMIES AND DISECONOMIES

Diseconomies of scale – when cities get too big – was demonstrated by Rodríguez-Pose and Frick (2017) in a 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."⁴⁷

The authors go on to highlight the nuance around their findings. "A large share of the urban population in cities of more than 10 million inhabitants is only growth promoting in countries with an urban population of 28.5 million and more. In addition, the relationship is highly context-dependent: a high share of industries that benefit from agglomeration economies, a well-developed urban infrastructure, and an adequate level of governance effectiveness allow countries to take advantage of agglomeration benefits from larger cities."

³⁸ Chakwizira, J., Matamanda, A.R., Nel, V., & Chatiza, K. (2024). The Future of Secondary Cities in (Southern) Africa: Concluding Remarks and Research Agenda. *Secondary Cities and Local Governance in Southern Africa*, 313-327.

³⁹ Roberts, B.H. (2014). *Managing systems of secondary cities: Policy responses in international development*. Brussels: Cities Alliance: Cities without Slums.

⁴⁰ UN Habitat. (2022). *World Cities Report. Envisioning the Future of Cities*.

⁴¹ Fortune. (2022). *Mapping the Global 500*.

⁴² Christensen, L., & Kanbur, R. (2016). *Secondary towns and poverty reduction: Refocusing the urbanization agenda*. Policy Research Working Paper. World Bank Group.

⁴³ Ammann, C., Sanogo, A., & Heer, B. (2022). *Secondary Cities in West Africa: Urbanity, Power, and Aspirations*. *Urban Forum* 33, 445-461.

⁴⁴ Chen, X., & Kanna, A. (2012). *Secondary Cities and the Global Economy*. Trinity College Digital Repository.

⁴⁵ Anders, M. (2016). *Will second cities play second fiddle to the New Urban Agenda? Convergences*.

⁴⁶ Buettner, T. (2015). *Urban estimates and projections at the United Nations: The strengths, weaknesses, and underpinnings of the world urbanisation prospects*.

⁴⁷ *Spatial Demography*, 3(2), 91-108.

⁴⁷ Frick, S.A., & Rodríguez-Pose, A. (2018). *Big or small cities? On city size and economic growth*. *Growth and change*, 49(1), 4-32.

RURAL TIES

Second cities do a better job than primary cities at mainlining links between urban and rural areas. They can “balance and filter centre-local relations differently from capital and metropolitan cities, creating unique spatial and economic efficiencies as well as problems.”⁴⁸

“Secondary cities,” argue Perry, Laituri, and Cline, “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.”⁴⁹

By nature of being physically close to rural communities, migration to second cities often doesn’t cut rural ties, making it more likely that economic migrants will keep on investing back home, sending remittances and visiting frequently. This aids growth in agriculture and small businesses.⁵⁰

As Cardoso and Meijers argue that “rather than the dispersion process in first-tier cities leading to a ‘regionalisation of the city’”, our efforts ought to go into “integration in second-tier urban regions”.⁵¹

In the context of their study on Chile, Videla, Roberts, Allue, and Guerrero state it thus: “The performance of national and regional economies is dependent on a well-functioning system of secondary cities, but they face many development challenges and still receive proportionally lower levels of investment than do primary cities”.⁵²

Good examples of this are the Maquiladoras in Mexico, which led to rapid development of cities along the US border. However, the case of Mexico also demonstrates that such vibrant development of second cities needn’t stop with border towns. Mexico is now characterised by a series of second cities across the country, where interesting clusters of manufacturing, automotive assembly or specialised agriculture have attracted large-scale

foreign investment and this created jobs and improved living standards for previously under-developed rural communities.

Such an approach or policy incorporates the nether parts of large countries into the national value chain and global trade routes. Apart from Mexico, examples of how and where second cities can (and are) opening up the hinterland include Beira in Mozambique, which connects the vast, underdeveloped Northern Mozambique and land-locked Southern African Development Community (SADC) countries of Zimbabwe, Zambia and Malawi with the Eastern seaboard and other global markets. Lamu port in Kenya is another example, which was designed to open up the less explored parts of the East African Community (EAC) and the horn of Africa. And Tangiers, with the development of Tanger-Med, connects the Moroccan hinterland with European markets.

FOR PROSPERITY

A recent study by the African Development Bank produced some compelling evidence on the power of second cities to generate prosperity by multiple critical measures.

For starters, consider how average hourly wages differ with the level of urbanisation. The AfDB established these figures for people in rural areas and in cities of various sizes. They found that wages in rural areas averaged \$0.51 and \$1.03 in cities with populations larger than 1 million.⁵³

Note that the bar for average hourly wages for cities of between 250 000 and 1 million people is fractionally higher than that for cities of more than 1 million people. This lends support for the proposition that second cities are a sweet spot for progress and that diseconomies of scale begin to emerge beyond some point as a city gets larger and larger.

⁴⁸ Chakwizira, J., Matamanda, A.R., Nel, V., & Chatiza, K. (2024). The Future of Secondary Cities in (Southern) Africa: Concluding Remarks and Research Agenda. *Secondary Cities and Local Governance in Southern Africa*, 313–327.

⁴⁹ Perry, G., Laituri, M., & Cline, L. (2020). Why secondary cities deserve more attention. *New Security Beat*. Wilson Center.

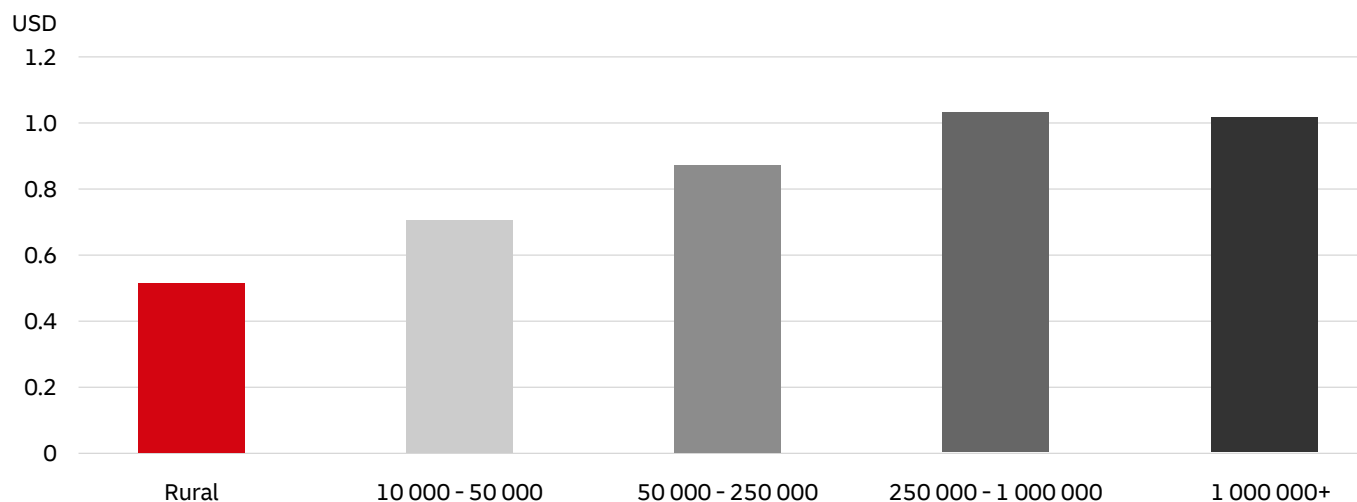
⁵⁰ Anders, M. (2016). Will second cities play second fiddle to the New Urban Agenda? *Convergences*.

⁵¹ Cardoso, R. V., & Meijers, E. J. (2016). Contrasts between first-tier and second-tier cities in Europe: A functional perspective. *European Planning Studies*, 24(5), 996–1015.

⁵² Videla, J.T., Roberts, B.H., Allué, M., & Guerrero, F. (2020, May). Secondary cities and their development challenges: The case of Central Chile Macro Region. In *IOP Conference Series: Earth and Environmental Science* (Vol. 503, No. 1, p. 012047). IOP Publishing.

⁵³ OECD/UN ECA/AfDB. (2022). *Africa’s Urbanisation Dynamics 2022: The Economic Power of Africa’s Cities*, West African Studies, OECD Publishing, Paris.

FIGURE 12: HOURLY WAGES (\$) IN CITIES (BY SIZE CLASS) AND RURAL AREAS

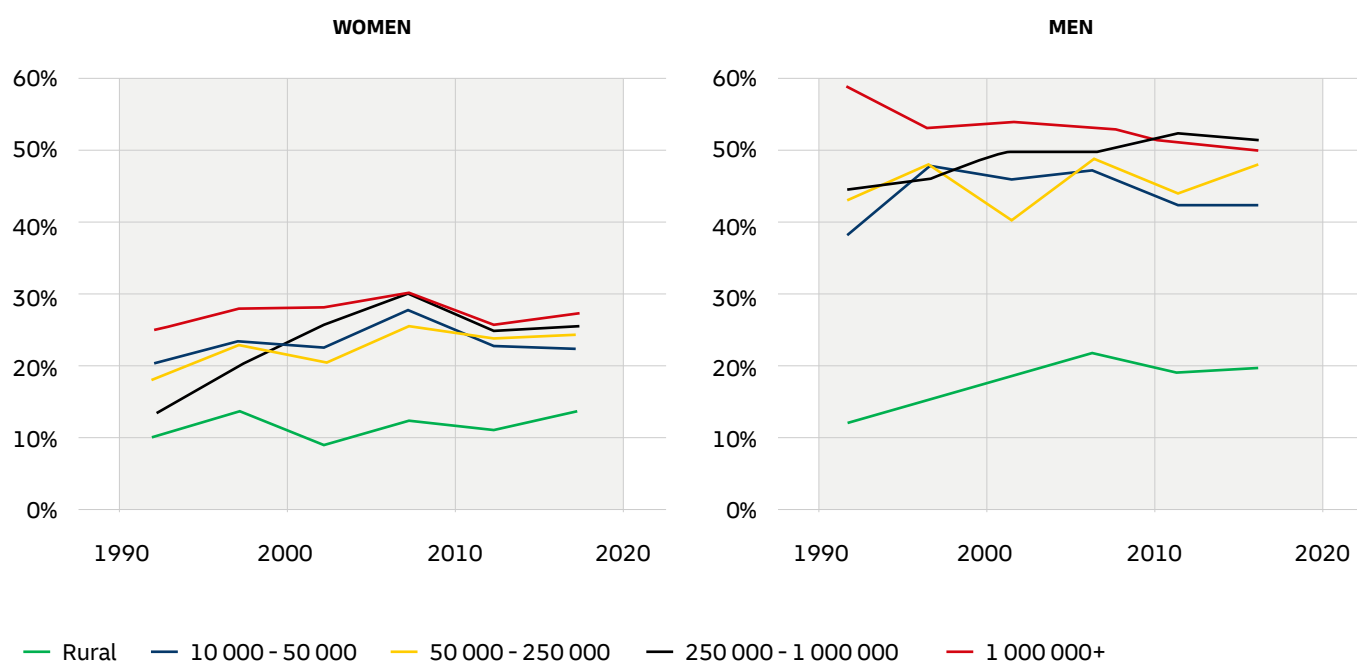


Source: OECD/SWAC (2010) calculations based on World Bank Living Standards Measurement Study (LSMS) and OECD/SWAC

FOR EQUALITY

The AfDB demonstrates benefits for equality. They compare share of skilled jobs for both men and women by city size over time. This evidence shows how rural areas lag behind all sizes of urbanised areas for choice of skilled work. It also shows how, while women generally have far less choice of skilled jobs, a higher level of urbanisation reduces the severity of this problem.

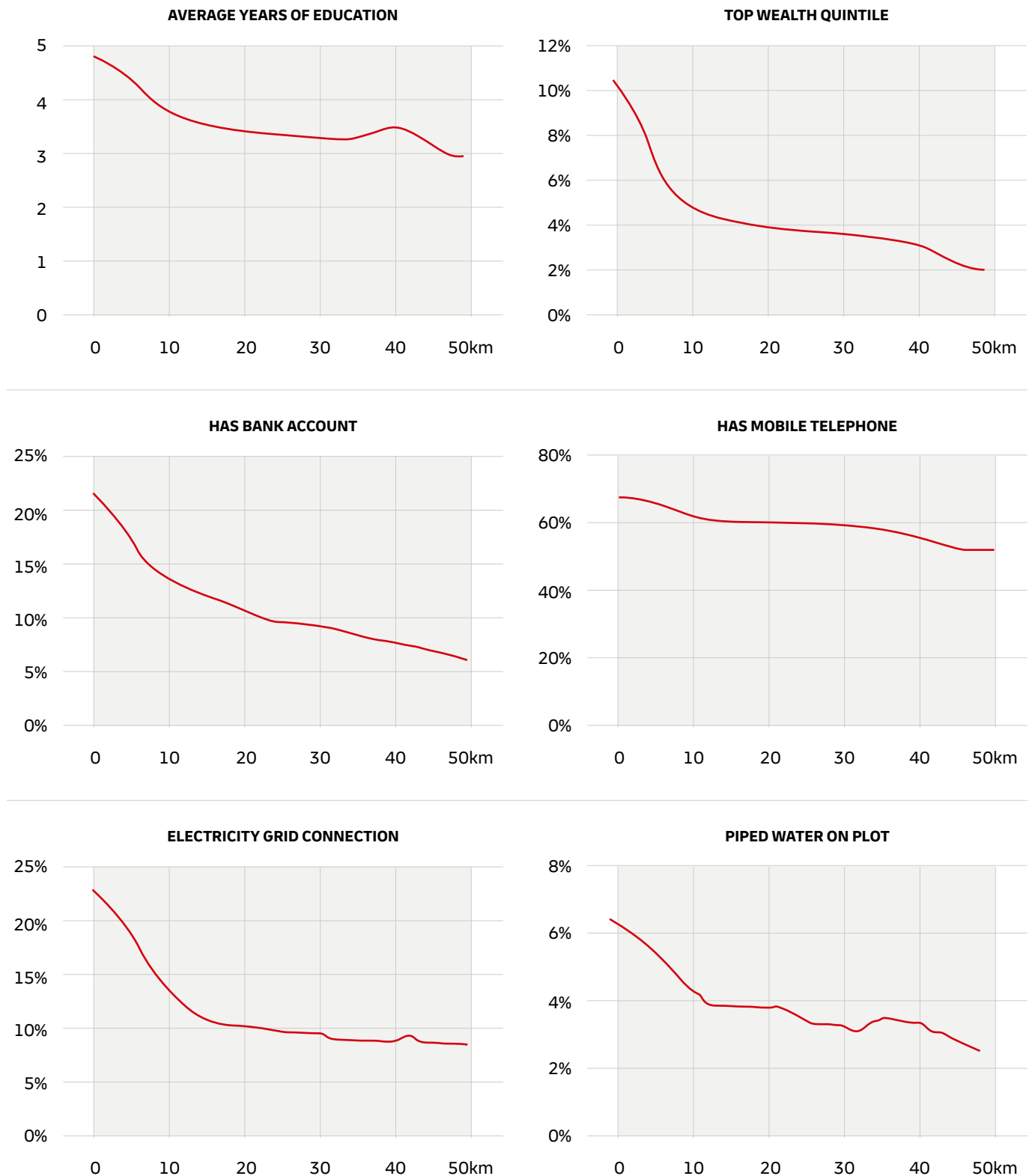
FIGURE 13: SHARE OF SKILLED JOBS FOR WOMEN AND MEN BY CITY SIZE OVER TIME



Source: OECD/SWAC calculations based on World Bank Bank LSMS

The AfDB work also captures how urban centres improve life for rural dwellers nearby. Rural dwellers are more likely to have bank accounts, electricity, piped water, mobile phones, education and greater wealth the closer they live to a city.

FIGURE 14: DEVELOPMENT OUTCOMES IN RURAL AREAS BY DISTANCE TO CLOSEST CITY



Source: OECD/SWAC calculations based on World Bank LSMS

FOR QUALITY OF LIFE

Second cities can also be good places to live. Arturo Bris, part of the team that produces the IMD World Competitiveness Center Smart City Index⁵⁴ (which assesses both the economic and technological aspects of smart cities and their “humane dimensions” — quality of life, environment, and inclusiveness) argues that “the best cities tend to be the mid-sized ones. The cities that rank on top are cities like Singapore or Zurich, which are not mega cities. In fact, none of the megacities from China, for example, are even in the top 20.”

SECOND CITIES AND POVERTY

There is also growing evidence that second cities, rather than big cities, provide bang for buck when it comes to cutting poverty. In their World Bank Policy Research Working Paper, Christiaensen and Kanbur present support for the following hypothesis: “A shift in public investment towards secondary towns from big cities will improve poverty reduction performance,” presenting “literature on economic mechanisms, which identify big cities as being inefficiently large, thereby affecting growth prospects in that city and in the surrounding hinterland.”⁵⁵



MIGRATION AND SECOND CITIES

The benefits of second cities as alternatives to primary cities has been seen in Australia. There, migration has been harnessed as a driver of prosperity. However, “a strong bottleneck to achieve the [economic developmental] targets is a disproportional concentration of population in the metropolitan cities. To avoid congestion in these cities, emphasis is being given at the government level to promote the regional cities.”⁵⁶

FOR TURBULENT TIMES

Second cities also exhibit benefits over major cities in an era of turbulence and global uncertainty.

Under these conditions, global cities demonstrate lower adaptability and higher sensitivity to changes in the external environment. At the same time, second-tier cities, which are not as involved in the system of world economic relations, turn out to be more resilient.⁵⁷

Chakwizira, Matamanda, Nel, and Chatiza (2024) provide a similar argument. “Secondary cities in Southern Africa have been in a state of flux,” they argue, “yet have been central in promoting and stabilising local governance.”⁵⁸

⁵⁴ IMD World Competitiveness Center. Smart Cities Index.

⁵⁵ Christiaensen, L., & Kanbur, R. (2017). Secondary towns and poverty reduction: refocusing the urbanisation agenda. *Annual Review of Resource Economics*, 9, 405–419.

⁵⁶ Tariq, M.A.U.R., Hussein, M. & Muttill, N. (2021). Smart City Ranking System: A Supporting Tool to Manage Migration Trends for Australian Cities. *Infrastructures*, 6, 37.

⁵⁷ Turgel, I.D., & Ulyanova, E.A. (2023). Comparative analysis of the role of second-tier cities in the development of European countries and Russia. *Regional Studies, Regional Science*, 10(1), 604–624.

⁵⁸ Chakwizira, J., Matamanda, A.R., Nel, V., & Chatiza, K. (2024). The Future of Secondary Cities in (Southern) Africa: Concluding Remarks and Research Agenda. *Secondary Cities and Local Governance in Southern Africa*, 313–327.

FROM CAPE TOWN, WITH LESSONS

“There are some unexpected benefits of being a second city,” says Tim Harris, and he would know: during his spell as CEO of Wesgro, the Tourism, Trade and Investment Promotion Agency for Cape Town and the Western Cape, he was instrumental in making Cape Town the thriving hub it is. “For one thing, as the old Avis slogan goes, ‘We try harder’. We have to; by definition, we lack some of the muscle that bigger cities have.”

“The constitutional mandate is key,” Harris continues. “South African cities can raise money through property rates and margins on utilities, but delivery failures by other spheres of government can hold cities back, as with the commuter rail in Cape Town. The city would better positioned than national government to improve things, but an interpretation of the Constitution appears to take this out of their hands.”

Harris, a former Member of Parliament, makes the case for three keystones that ‘make a second city great’. “Building and maintaining infrastructure, and delivering services off the back of this, has to be the first priority,” he says. “Without that you haven’t got a functional city.”

“Branding is the second thing. Some think of it as just the ‘chocolate on the pillow’, but it actually captures the entirety of what comes to mind when anyone thinks of your city. And this defines what attracts visitors, investors and entrepreneurs. Place brands also transcend municipal borders: the Cape Town brand encompasses the winelands around Stellenbosch, and even the Garden Route.”

Finally, the element Harris is often hailed for. “I’ve never met an investor who was just interested in the Cape Town market,” he explains. “Connectivity is key. When someone bases themselves in your city, then they need access to wider markets, so you want well connected air and sea ports, and onward rail and road networks. You have got to be able to transact globally from a global city. That’s why it was pivotal for us to secure non-stop

flights between Cape Town and the US. The first route began in December 2019 and today, we are connected to three US cities with three carriers.

It’s all about maximising your impact with what you’ve been given. “Cape Town lacks some of the benefits other cities have. No place has it all. Focus on your city’s assets to get the absolute most out of them within your constraints.”

Today, one of Cape Town’s challenges is accommodating the influx of people from other parts of the country voting with their feet for the opportunity to live in a city that works.

Tim Harris is partner at the government advisory firm Consulum.



Cape Town, South Africa

6. MODELLING SECOND CITY PROSPERITY



National states can keep talking; urban leadership needs to act.”

– Saskia Sassen (2008)

INTRODUCTION

“If you don’t measure it, you can’t manage it,” goes the old commercial truism. In this report, we have made the case that second cities hold a key to prosperity and that Africa is sorely lacking on this score. In this chapter, we present a model to demonstrate the current state of African second cities, which we can use to track progress of these cities.

³⁵ AfCFTA could boost maritime trade in Africa. UNCTAD.

A GOLDEN RATIO FOR CITIES

Rachir Sharma, the Chief Global Strategist at Morgan Stanley Investment Management, makes the case that the size of the second city in relation to the size of the primary city is a potent measure of both economic development and stability of a country. He measures size by population. Sharma argues that in midsize countries (20 to 100 million people), the city size ratio ought to be in the region of three-to-one. That is, a primary city should not be more than three times the size of a second city.

In Sharma's own words: "That three-to-one rule held in the past and still holds today for the urban centres of the "Asian miracle" economies, including Tokyo and Osaka in Japan, Seoul and Busan in South Korea, and Taipei and Kaohsiung in Taiwan. It holds today for 15 of the 20 major mid-size emerging nations, from Poland to Vietnam. It also holds for five of the seven mid-sized developed countries, from Canada to Germany."⁵⁹

THREE-TO-ONE RATIO: WHY?

Sharma explains the reasons for this rule of thumb pithily: "Oversized capital cities often indicate excessive power in the hands of the political elite."⁶⁰ Markets tend not to thrive with monopolistic forces – be it at a corporate or city level.

Dominant cities that lack viable competition also tend to be self-perpetuating problems. Migration from rural areas goes disproportionately to the primary city, crowding in more resources, thereby exacerbating the imbalance.

Smaller countries, where a single city dominates, tend to suffer from a lack of innovation. Without competition, the apex city rests on its laurels, lacking the pressure to experiment and improve. National socio-economic progress suffers.

Single-city dominance also generates the ingredients for social discontent. As Morgan Stanley puts it, referring to Sharma's work, "Countries like Thailand, where the capital dwarfs the rest, face a particularly high risk of rural rebellion."⁶¹

That wisdom certainly applies in Thailand's case. The nation "has seen two coups, three prime ministers brought down by court rulings, intermittent violence and crippling colour-coded street demonstrations during two decades of political instability."⁶²

As Sharma explains, "Political instability stems from deeply entrenched regional or provincial differences, which are accentuated by an economic imbalance and 'drag' on growth. Those regions or towns 'left behind' are likely to rebel against the authoritative centre and the co-called 'capital elite'."⁶³

Sharma talks at length about Thailand's example of "running conflict between political parties representing the capital elite on the one side and the impoverished provinces on the other". He argues that "the roots of the trouble could be summed up in one number: The 10-million-plus population of central Bangkok is more than 10 times larger than the population of the country's second-largest city, Chiang Mai. A ratio that lopsided is highly unusual for a country Thailand's size, reflecting the dominance of a capital city, where the military, political and royal elite have held court for decades, seeding discontent in the neglected provinces."⁶⁴

Sharma concludes that "The way a country sustains economic momentum is by maintaining a healthy balance of growth between geographic regions and income groups".

How? Sharma argues for a light touch from government. He favours "pragmatic reformers in leadership roles, a state that does not meddle too much and instead encourages a steady flow of investment in factories, roads and other urban infrastructure."

Sharma emphasises three 'fronts' for development:

- Opening up and connecting by trading with neighbours
- Flows with the wider world
- Bringing in alternative provinces and locations.

Building both internal and external connectivity can and should be done through the vibrant development of second cities between borders, ports and harbours and through new trade and service zones or smart cities.

Sharma highlights India as a place that is failing to address the golden ratio of city sizes. "India, for example, has a severe problem developing second-tier cities, which reflects some of the nation's basic flaws, including a state that meddles too much, and a track record of spending too much on subsidies and too little on building factories and ports, the anchors of modern urban development."

⁵⁹ Sharma, R. (2016). Why India has a big problem, and it's got to do with small cities. Times of India.

⁶⁰ Sharma, R. (2012). Breakout nations: In pursuit of the next economic miracles. WW Norton & Company.

⁶¹ The Economic Gears of a Disrupted World. Morgan Stanley. (2016).

⁶² A tumultuous two decades in Thailand's politics, Reuters (2023).

⁶³ Sharma, R. (2016). The rise and fall of nations: Forces of change in the post-crisis world. WW Norton & Company.

⁶⁴ Sharma, R. (2016). Why India has a big problem, and it's got to do with small cities. Times of India.

UNDERSIZED AND UNDERPERFORMING: AFRICA'S SECOND CITIES

African countries tend to be in gross violation of Sharma's golden ratio. Second cities tend to be far smaller than one third the size of primary cities.

Research conducted by The European House, using Cities Alliance data from 2022, illustrates how it is smaller cities that hold the potential for Africa. As of 2020, from a total of 950 cities counted across the continent, 882 met their criteria as "secondary cities", that is between 100 000 and 1 000 000 residents. Only 59 cities were home to more than a million people, and a mere three were megacities of 10 million or more. Getting smaller cities right has the potential to improve far more lives than getting megacities right.

In *Reimagining economic growth in Africa: Turning diversity into opportunity*⁶⁵, McKinsey Global Institute captures this graphically. Describing the data depicted in the figure below, McKinsey says "Africa has fewer and often smaller second cities than other regions of the world; among the largest cities on the continent, only four of 14 have a second city bigger than half the size of their primary cities."

Figure 16 below brings into stark focus the fact that several African nations have a yawning size gap between the primary and second cities. In multiple examples, the respective second city lingers around one quarter the size of the primary city. That is the case for some of the continent's most prominent economies, including Egypt, Nigeria, Kenya, Tanzania, and Zambia.

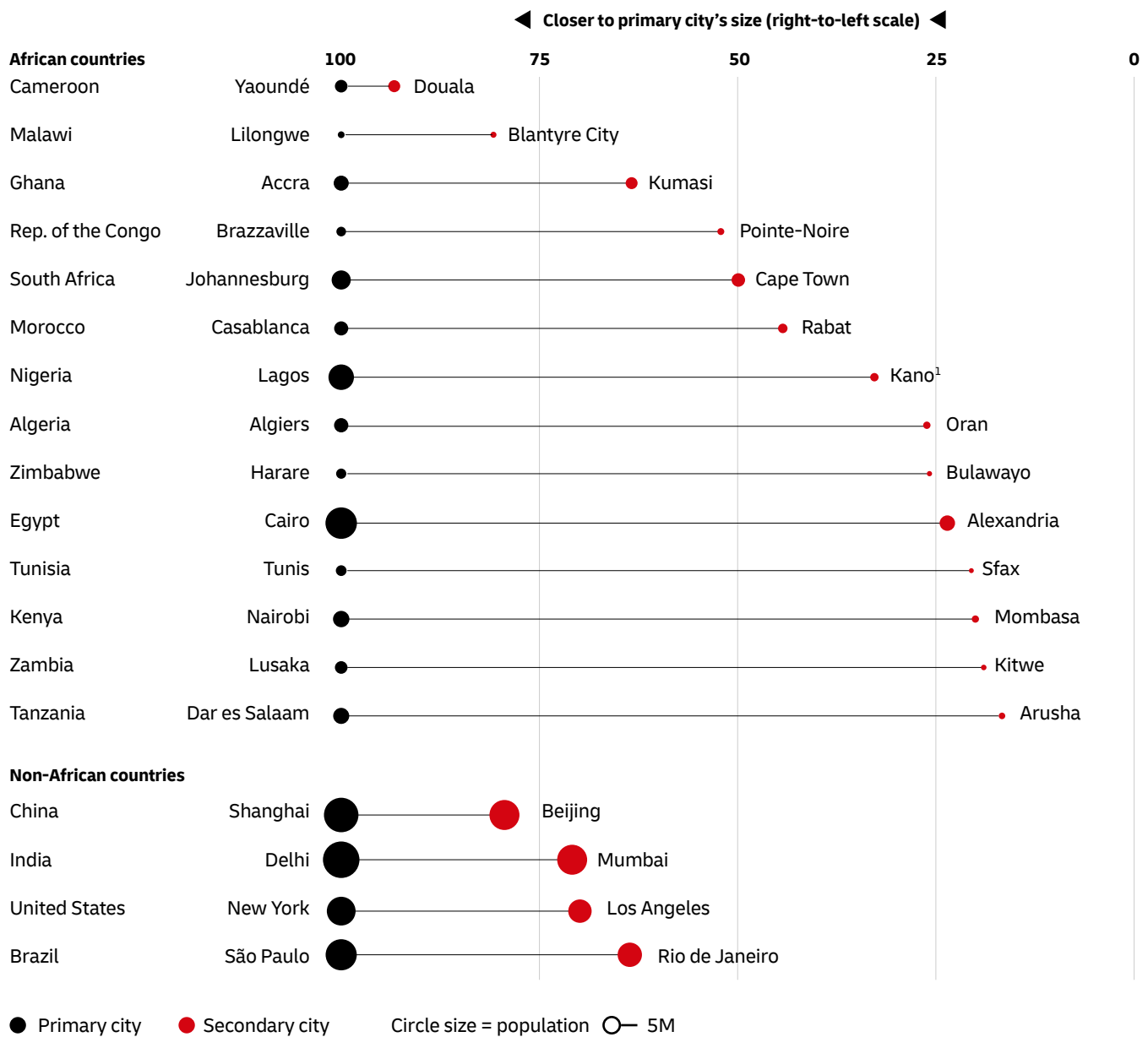
FIGURE 15: NUMBER OF CITIES BY POPULATION SIZE IN AFRICA

Population size	1990	2000	2010	2020	2030	2035
10 million or more	-	1	2	3	5	5
5 to 10 million	1	2	2	6	13	19
1 to 5 million	24	37	42	59	81	93
500,000 to 1 million	29	35	56	75	111	128
300,000 to 500,000	43	48	65	92	117	121
100,000 to 300,000	171	255	351	715	n.d.	n.d.
Total secondary cities	243	338	472	882	n.d.	n.d.
Grand Total	268	378	518	950	n.d.	n.d.

Source: The European House – Ambrosetti on Cities Alliance data.

⁶⁵ Kuyoro, M., Leke, A., White, O., Woetzel, J., Jayaram, K., & Hicks, K. (2023). *Reimagining economic growth in Africa: Turning diversity into opportunity*. McKinsey Global Institute Special Report.

FIGURE 16: COUNTRIES' SECONDARY CITIES AS A SHARE OF THE PRIMACY CITIES' POPULATION (%)



Source: McKinsey & Company based on Oxford Economics data

McKinsey appear to apply a stricter rule of thumb than Sharma, and focus on second cities that are less than half the population size than their associated primary cities, rather than Sharma’s rule of three-to-one.

Nonetheless, McKinsey reach the same conclusion as Sharma, stating that “African primary and second cities need infrastructure investment to support businesses and workers, so that they can deliver the high productivity needed to increase the pace of economic growth on the continent.”⁶⁶

The situation looks worse when using satellite data to compare the size of primary and secondary cities in Africa. Bluhm and Krause (2022) find that “no matter which boundaries we use, the sum of light of the average primary city is more than ten times as large as that of the average secondary city”,⁶⁷ in their study on sub-Saharan Africa.

⁶⁶ Kuyoro, M., Leke, A., White, O., Woetzel, J., Jayaram, K., & Hicks, K. (2023). Reimagining economic growth in Africa: Turning diversity into opportunity. McKinsey Global Institute Special Report.

⁶⁷ Bluhm, R., & Krause, M. (2022). Top lights: Bright cities and their contribution to economic development. *Journal of Development Economics*, 157, 102880.

7. WAYS TO ENHANCE AFRICAN SECOND CITIES



More than ever, cities are the lifeblood of the global economy. Their competitiveness increasingly determines the wealth and poverty of nations, regions and the world.”

– Razeen Sally (2014)

INTRODUCTION

The scale of the challenge is enormous. Cities need to provide basic services and developmental needs and, perhaps most importantly, employment, for hundreds of millions of Africans residing in or flooding to a ‘better life of opportunity’ in urban areas.

This makes the role of second cities that much more important, beyond basic development and national competitive performance. Second cities are the only way Africa will manage a booming population and harness the potential of a demographic dividend over the coming decades.

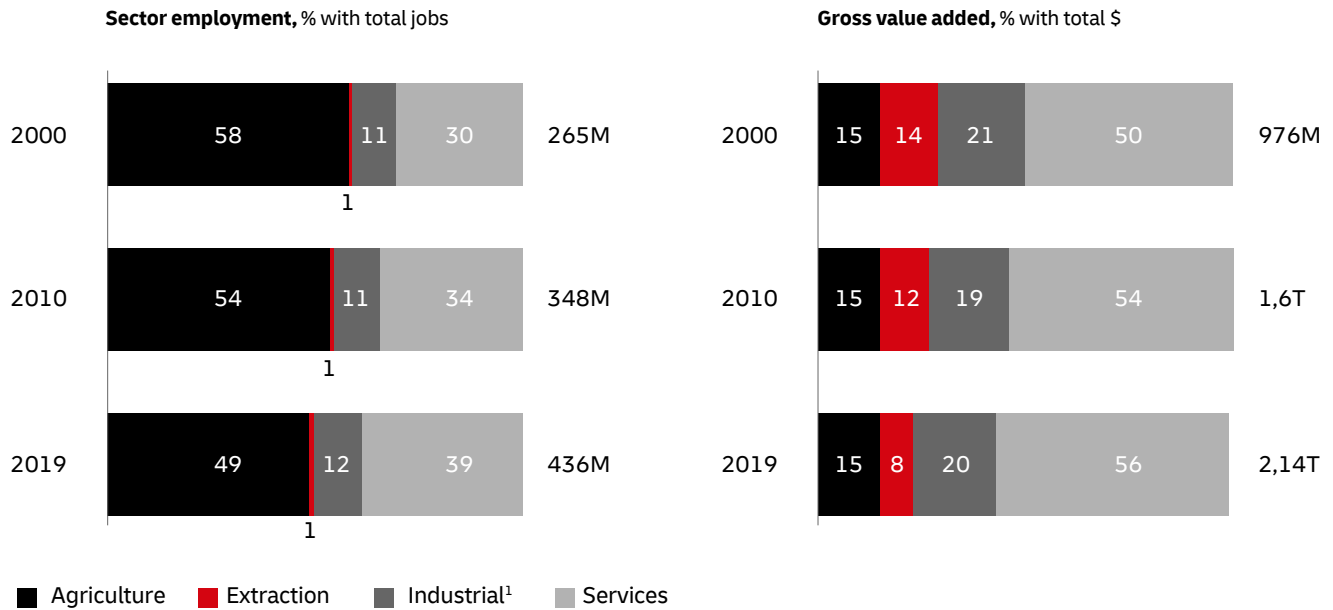
There is evidence that Africa is building growing smaller cities into second cities and improving existing second cities. Slowly.

Between 2000 and 2019, employment in Africa has shifted from agricultural jobs towards services jobs. Service jobs are up from 30% of the total to 39% over this period.⁶⁸ That represents a vast increase in gross value added, as well. During the spell, gross value added by services rocketed from \$976 billion to 2.14 trillion, while that measure was static for agriculture.

Oran, Algeria

⁶⁸ Kuyoro, M., Leke, A., White, O., Woetzel, J., Jayaram, K., & Hicks, K. (2023). Reimagining economic growth in Africa: Turning diversity into opportunity. McKinsey Global Institute Special Report.

FIGURE 17: SECTOR EMPLOYMENT (% WITH TOTAL JOBS) AND GROSS VALUE ADDED (% WITH TOTAL \$) IN AFRICA



¹ Includes manufacturing, construction, and utilities.
 Note: Figures do not sum to 100 percent due to rounding.

Source: McKinsey Global Initiative

HOW ARE WE ENHANCING AFRICA'S SECOND CITIES?

At their very essence, cities provide housing, jobs, education, access to basic services and social interaction. But at the rate of growth – with relentless population growth and a mass-migration from the African countryside, the creation of jobs, and the provision of basic services from housing, electricity and water to security and sanitation is not keeping pace. This is especially the case in the large, established first tier cities, renowned for their size – driving urbanisation in Africa, where poor planning and growing informal settlements have come to characterise large parts of the metropolitans of Lagos, Cairo, Nairobi, and Johannesburg.

The scale of the challenge is therefore enormous. Cities need to provide these basic services and developmental needs and, perhaps most importantly, employment, for hundreds of millions of Africans residing in or flooding to a 'better life of opportunity' in urban areas.

This makes the role of second cities that much more important, beyond basic development and national competitive performance. Second cities are the only way Africa will manage

the demands of a booming population and harness the potential of a demographic dividend over the coming decades.

The growth and nature of African cities' development tend to be less appealing than of cities in other regions around the world. They lack efficiency and basic standards and service delivery needed to promote economies of scale. They also lack innovation and new industries to attract the right investments and drive new areas of growth and progress.

Urbanisation has traditionally been correlated with significant improvements in human wellbeing, and environmental and economic sustainability, the rule of law and the location where the power of the state is most evident, and thus, was associated with positive results and outcomes. Cities, by extension, benefit business and citizens by improving standards of living and commercial practice. The enabling and competitive environment builds all-encompassing competitiveness of firms and individuals. While this has been the global trend among developed and developing regions, this is not the current situation in Africa.



COMPETITIVE CITIES

For businesses to be competitive, their operating environment matters. Local governments can choose to improve that environment through the adoption of policies that provide a competitive advantage and encourage innovation. This, in turn, enhances tax revenue and provides increased employment opportunities.

Success is most often measured by whether growth can improve the standard of living for citizens and, in this case, those living in the cities.

In the African context, this means lifting the marginalised and at-risk populations out of poverty, enabling inclusive political and economic participation, and allowing vulnerable and excluded groups to become productive members of a broader, more integrated society.

This involves integrating previously excluded provinces, towns and communities in the national growth and development plans and objectives. A coherent strategy involving second cities, as discussed by Ruchir Sharma and others, through various international examples, is a clear and practical way of doing this.

POLICY RECOMMENDATIONS: A FRAMEWORK

Thus far, we have attempted to demonstrate the ways in which Africa's second cities have potential to be drivers of prosperity in the years to come. Now, we turn to ways that will ensure that this comes to fruition.

To structure our policy recommendations, we turn to a framework presented in work out of the Cities Alliance and the African Development Bank, *The dynamics of systems of secondary cities in Africa: Urbanisation, migration and development* (2022). They capture the main functional elements of urban subsystems supporting the development of secondary cities under the following categories:

- I. GOVERNANCE
- II. ECONOMICS AND FINANCE
- III. BUILT ENVIRONMENT
- IV. SOCIAL
- V. ENVIRONMENT
- VI. CONNECTIVITY



I. GOVERNANCE

Basic governance, underpinned by effective institutions, the rule of law and service delivery are an essential starting point. These so-called “rules of the game” ought to enable businesses and individuals to thrive.

The ability of an individual to start a business, obtain relevant licences, establish land title and employ workers is key.

In the African context of governance, informal institutions take on a heightened importance.⁶⁹ One should not assume that simply because a typical Western institution is not present in an African city, that no institution exists to perform a given governance role.

In many cases, “informal institutions substitute underdeveloped formal institutions” and “informal institutions also complement more developed formal institutions in the presence”, in both cases, with positive outcomes for business innovation.⁷⁰

Formal or informal, second cities need efficient tools to register businesses, resolve disputes, defend private property and access reliable information.

Individuals, families, and businesses that have institutional structures in place are better able to see a pathway to prosperity and improved social standing within the framework of the city and the state. This fosters buy-in and alleviates the risk of counterproductive movements that can result in unrest.

Also, cities with sound governance have often been successful because there has been a development vision, a plan and the leadership ability and management skills to deliver on that plan.

II. ECONOMICS AND FINANCE

For businesses to be competitive, their operating environment matters. Local governments can choose to improve that environment through the adoption of policies that provide a competitive advantage and encourage innovation. This, in turn, increases tax revenue and employment opportunities.

Targeted tax incentives are a powerful tool. They enable local governments to guide and enhance industries strategically selected as part of a broader plan to foster growth. They can also encourage foreign investment and even lure expatriates and their families back to their cities.

It is vital that local governments have a focused strategy. There is evidence that cities in developing countries lack sufficient specialisation. As Duranton states, “Cities in developing countries appear to be far less functionally specialised compared to cities in more advanced economies. This phenomenon hampers the dynamism of the largest cities, which are burdened by many ancillary activities in developing countries”.⁷¹

The need for contextualisation is borne out in research on African special economic zones (SEZ). “The impact of SEZ interventions is highly context dependent. SEZ interventions are contingent on the specific national and regional ecosystem where they are established, suggesting that there is no blueprint for SEZ development” (Frick & Rodríguez-Pose, 2019; World Bank, 2017).⁷² Despite its challenges, “special economic zones (SEZ) have proven to be a successful supply-driven model for fostering economic development in many developing-country cities.”⁷³

Second cities in Africa should design their targeted economic plans with the goal of being globally competitive by extracting the most value for the least cost, based on what they can do well.

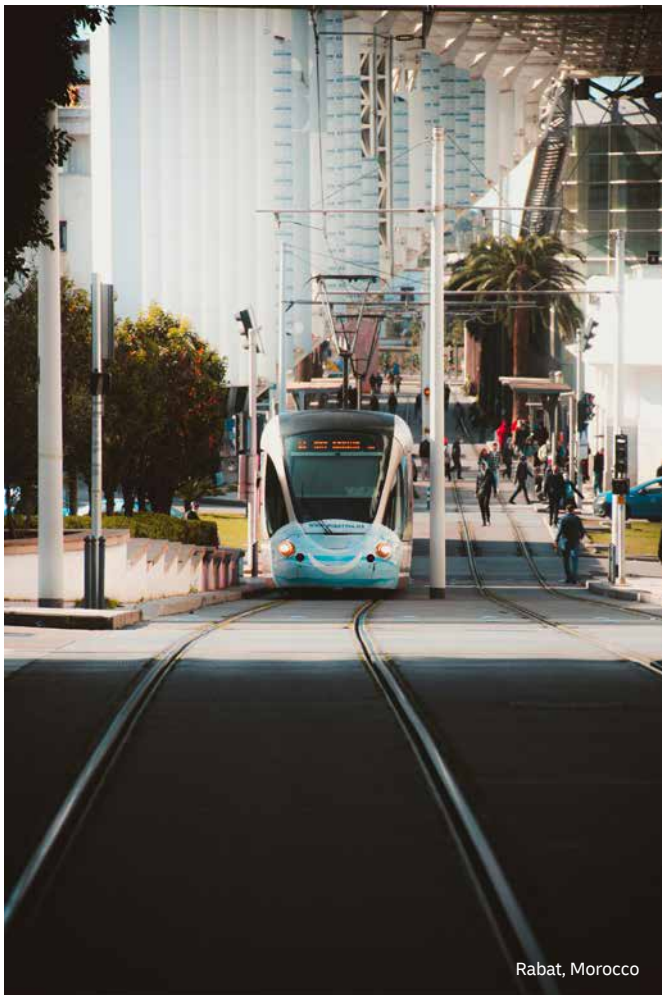
⁶⁹ Nason, R., & Bothello, J. (2023). Far from void: How institutions shape growth in informal economies. *Academy of Management Review*, 48(3), 485-503.

⁷⁰ Saka-Helmhout, A., Chappin, M., & Vermeulen, P. (2020). Multiple paths to firm innovation in sub-Saharan Africa: How informal institutions matter. *Organisation studies*, 41(11), 1551-1575.

⁷¹ Duranton, G. (2015). Growing through Cities in Developing Countries. *The World Bank Research Observer*.

⁷² Rodríguez-Pose, A., Bartalucci, F., Frick, S.A., Santos-Paulino, A.U., & Bolwijn, R. (2022). The challenge of developing special economic zones in Africa: Evidence and lessons learnt. *Regional Science Policy & Practice*, 14(2), 456-481.

⁷³ Roberts, B.H. (2014). Managing systems of secondary cities: Policy responses in international development. Brussels: Cities Alliance: Cities without Slums.



Rabat, Morocco

III. BUILT ENVIRONMENT

In their evaluation of eight African second cities, the AfDB finds that “without exception, all of the case study cities have old or obsolete infrastructure, large un-serviced urban areas, and insufficient capacity to accommodate high population growth rates. Very few secondary cities have integrated infrastructure plans, public investment plans or capital works plans linked to long-term funding and budgeting.”⁷⁴

City-level data out of India offers guidance on the need for infrastructure investment in cities and how to achieve this. First, based on UN-WIDER analysis, “a city’s proximity to international ports and highways connecting large domestic

markets has the largest effect on its attractiveness for private investment”⁷⁵

The former finding is little comfort to the many inland cities in Africa. However, the latter confirms the importance of a road network. The data suggest that this is even more important for attracting private capital than is the supply of infrastructure within the city itself. This should guide funding decisions.

That is not to suggest municipal infrastructure is not important. “Municipal roads, street lighting, water supply, and drainage enhance competitiveness, but their impacts are much smaller. Thus, while local efforts are important for competitiveness, they are less likely to be successful in cities distant from the country’s main trunk infrastructure.” Municipal governments need good relationships with national governments to harness this knowledge.

The source of funding is also critical. The authors of the UN-WIDER paper, using Indian data, argue that “a city’s ability to raise its own source revenues by means of local taxes and user fees increases infrastructure supply, whereas inter-governmental transfers do not have statistically significant effects”.

The higher the proportion of funding able to be sourced and spent locally, the better.

Infrastructure solutions should have low barriers to entry and be scalable, cost effective and deliverable via appropriate technology.

The Bus Rapid Transit (BRT) system is a good example of implementation of appropriate technology for the context. First adopted in Curitiba, Brazil, in 1974, and overhauled several times since, the model is now active in many cities around the world, including in Africa.

Despite reliance on the humble bus, this system is smart in many ways. Public-private partnerships mean private capital is employed in both the construction of bus lanes and of other infrastructure. In Curitiba, this resulted in travel speed comparable to those of light rail, but at one-fiftieth the cost.

Technology also enables dynamic traffic management, priority signalling and real-time digital information available on phone apps.⁷⁶ The system is also able to adapt to rapidly changing needs. Curitiba’s BRT now runs electric buses on two routes, connecting dozens of neighbourhoods and moving 135,000 people each day.⁷⁷

⁷⁴ Roberts, B.H., & Anyumba, G.O. (2022). The dynamics of systems of secondary cities in Africa: urbanisation, migration and development. Cities Alliance, Brussels.

⁷⁵ Lall, S.V., Wang, H.G., & Deichmann, U. (2010). Infrastructure and city competitiveness in India (No. 2010/22). WIDER Working Paper.

⁷⁶ Modernising Bus Rapid Transit: Curitiba, Brazil. EBRD Green Cities Policy Tool.

⁷⁷ First demonstrations of Volvo e-bus in Latin America started from Curitiba, Brazil. EBRD Green Cities Policy Tool. Editorial staff.

IV. SOCIAL

Building community and social cohesion is an essential part of advancing second cities and developing new and sustainable opportunities. Gross inequality, arguably one of the most daunting challenges of our time, is most prevalent in Africa.

Thus, it is important first to clarify the nature of inequality. While economic inequality and the inequalities associated with wealth are an obvious and growing problem in Africa, as in other parts of the world, inequality of opportunity is a more appropriate description of the nature of inequality in African countries, as in other less-developed countries around the world. This is a result of both historical legacy and geography – where, by virtue of location or exclusion from national development, individuals and communities have not been granted equal access to capital, education, jobs, or opportunities.

Second cities play an important part in addressing structural inequality and bringing opportunities to parts of the country and communities previously neglected or excluded. The role of second cities in correcting the inequality of opportunity will also contribute directly to national development imperatives and the overall competitiveness of African nations.

African cities will do well to consider the work of Raghuram Rajan in his policymaking discussions and specifically, his work on “inclusive localism”. In short, this argues that, while many people feel left behind by globalism, “The answer lies not in retreating to

protectionism, but rather in reinvesting in local communities and giving people more control over their daily lives”.⁷⁸

Rajan adds, “Top-down solutions devised in remote capitals do little, however, to tackle the impediments to recovery. Locals typically know far more about what needs to be fixed—and they must be empowered to help their communities pull themselves up.

“Opportunities are maximised for all when society’s three pillars, the market, the state, and the community, are balanced. In recent years, technological change and globalisation have led to an expansion of the market and the state at the expense of certain communities. The resulting disparities in opportunities have led to widespread dissatisfaction, which can be addressed effectively only by strengthening left-behind communities. Technological solutions, combined with policies and the deliberate development or advancement of second cities geared toward inclusive localism, are needed to restore some balance to society.”

Rajan concludes that “Capitals must devolve power and funding further, so that communities can re-instil a sense of engagement and identity in their members.”

In short, inclusive localism proposes new methods of empowering and honouring local cultures and communities, while reaffirming the universal value of equality before the law.

V. ENVIRONMENT

While not a focus of this report, it is common sense that no city can thrive while its natural environment fails. As any city develops, it will necessarily produce the by-products of development. These need to be managed.

This introduces a complex scientific, ethical, and political debate beyond the scope of this report. Economics will help to resolve the issue. Economic evidence will guide the policy needs to introduce renewable energy into the power source spectrum in developing nations.

Specifically, solutions will be found in the speed and ability of developing nations to harness the power that more developed, richer nations have to prosper – while incorporating cleaner energy sources. “The success of developed countries in controlling emissions through renewable energy has significant policy implications for developing countries.”⁷⁹

⁷⁸ Rajan, R. (n.d.). Inclusive localism: Communities’ place in a globalised world. The Law Family Commission on Civil Society.
⁷⁹ Le, T.H., Chang, Y., & Park, D. (2020). Renewable and non-renewable energy consumption, economic growth, and emissions: International evidence. *The Energy Journal*, 41(2).

VI. CONNECTIVITY

Second cities in Africa “provide nodes for better advancing new ways of managing rapid urbanisation and the various layers of urban informalities.”⁸⁰ They are to urbanisation what copper is to electricity. They are efficient conductors of upward social and economic mobility.

Connectivity synergises multiple other contributors.⁸¹ “The building of infrastructure to improve the collaboration, performance, and prosperity of secondary towns and cities is insufficient to boost local economic development,” says Brian Roberts. “Many other hard and soft infrastructure factors need to be addressed to make local economies more collaborative.

“A crucial missing element, which is continuously overlooked by researchers and policymakers, is the importance of hard and soft infrastructure associated with connectivity between systems of cities. If cities are not well-connected by hard and soft infrastructure, including roads, rail, air services and political, social, and business networks, the flows of materials, people, trade, goods, services, and information are slowed down, and the prospects for sustainable local economic development are

minimal. Very few national and regional economic development plans mention the need to develop both hard and soft connections between systems of cities to boost local economic development and address the impact of poor connectivity on regional disparities.”⁸²

Developing ports – both dry or sea-facing – and airports provide a powerful way to advance a second city. Such infrastructure and connectivity builds industries and services that are directly integrated in regional and international value chains.

This infrastructure, alongside carefully designed policies and incentives, will help establish and nurture crucial foundational stages of industrial development and economic clusters. These will, in turn, drive the competitive advantage of nations, integrate new geographies and communities, and drive a progressive and globally relevant national development agenda that is both inclusive and sustainable.

There are countless examples of this from around Africa and the world, from Singapore and Dubai to Mombasa and Beira.



Singapore Changi Airport

⁸⁰ Chakwizira, J., Matamanda, A.R., Nel, V., & Chatiza, K. (2024). The Future of Secondary Cities in (Southern) Africa: Concluding Remarks and Research Agenda. *Secondary Cities and Local Governance in Southern Africa*, 313-327.

⁸¹ Cardoso, R. V., & Meijers, E. J. (2016). Contrasts between first-tier and second-tier cities in Europe: A functional perspective. *European Planning Studies*, 24(5), 996-1015.

⁸² Roberts, B.H. (2019). *Connecting systems of secondary cities: How soft and hard infrastructure can foster equitable economic growth among secondary cities*. Brussels, Belgium: Cities Alliance.



Digitisation provides a rich opportunity for Africa's second cities.⁸³ It offers the promise of a smoother and faster delivery of services, as well as the provision of security and better management of traffic.

African cities can learn from the likes of Estonia. The former Soviet nation has earned the moniker e-Estonia for its large-scale and slick rollout of government services in digital form.⁸⁴ From online connectivity and impressive broadband to online voting and information services, this has helped Estonians leapfrog many other nations that were forced to start from a low base after the fall of the Soviet empire.

In the words of Taavi Rõivas, who served as the country's prime minister between 2014 and 2016, "located between neighbours that are much bigger, Estonia is a small fish in a huge global ocean," he points out. "You're either slow and get eaten or you become very fast and develop the economy and the digital society – Estonia opted for the latter."

From the developing world, Medellín, Colombia offers inspiration. Amid its many successful reforms to escape violence and poverty, the city embraced technology to boost

governance and efficiencies.⁸⁵ On this, Gopaldas asks, "What can African cities learn from the likes of Medellín and Singapore (and other global success stories) and which cities on the continent are on track to succeed?"

In the early 1990s, Medellín was one of the most violent cities in the world. "The homicide rate climbed to 381 murders per 100,000 people in 1991, close to 40 times greater than the UN's definition of endemic violence, at 10 per 100,000 people," explains Gopaldas. "These days," he goes on, "Medellín is an attractive city with its open botanical gardens, library parks, and enterprising business climate. From being the most dangerous city in the world [it is on its way] to becoming a world-class smart city."

Among the many reasons for this transformation is technologically enabled connectivity. The city built "the world's first urban cable car system, Metrocabal, dedicated to public transport at half the cost of a comparable railway system," says Gopaldas. He also points to GPS trackers, CCTV, facial recognition technology and smartphone adoption by the police to make the city safer.

⁸³ Ranchod, R. (2020). The data-technology nexus in South African secondary cities: The challenges to smart governance. *Urban Studies*, 57(16), 3281-3298.

⁸⁴ Divald, S. (2021). E-formalisation case study: e-Estonia: a digital society for the transition to formality.

⁸⁵ Gopaldas, R. (2014). Lessons for African cities from global success stories. Africanfact.com.

“This attracted corporate partners and powerful multinationals and unlocked private sector investment, particularly in infrastructure. Indeed, the city’s big spending spree in the mid-2000s was largely a result of a unique private public partnership between the city and Empresas Publicas de Medellín (EPM).”

This shows how a local government’s digital policy can also crowd in the private sector. For example, creating or simply enabling the infrastructure of fast, reliable internet unleashes entrepreneurship, education and more.

Ranchod provides an “archetypical of a smart approach to managing urban problems” in the context of a South African second city: “The municipality sought to leverage technology to aid and enhance local policing in support of an under-capacitated police force. It invested heavily in CCTV and licence plate recognition technology, with the specific aim of creating an enabling environment to attract investment back into its central business district. Data were generated and stored in a cloud-based system to enable sharing across multiple actors in real time (senior manager, Municipality A, February 2018).”

A centralised control room provided surveillance capabilities. Private security companies, as well as university security units, were drawn into this data-technology ecosystem, enabling greater data-sharing and -monitoring capacity. The municipality also established links with a private sector information and communications technology company to roll out a mobile application that functioned as a distress alert service and directed police and other emergency services to an individual by means of a global positioning system.”⁸⁶

Soft and hard connectivity cannot be thought of independently. A study based on data from 53 African countries backs this up. Abendin and Duan find that “trade only has positive effects on economic growth when interacted with the digital economy”, before recommending that “concentrated efforts be directed towards developing the digital economy to ensure international trade’s full economic effect in Africa”.⁸⁷

Second cities can take advantage of existing infrastructure, such as fibre optic cables running down the east and west coast of the continent, and the need for new infrastructure and services in remote places, to foster commerce in this growing industry. This will, in turn, attract alternative investment, services and organisations – not to mention new skills and professionals.

Ultimately, these opportunities and incentives could give rise to smart cities, knowledge hubs and new gateways to the region and the global economy – effectively connecting some of the more remote parts of Africa with the global economy. Smart cities will be the start of education and learning hubs in Africa, and the start of the African knowledge economy.

Konza Technopolis in Kenya is an ambitious plan to light the way for technology hubs in African cities. The nation’s capital, Nairobi, is already part of the so-called Silicon Savannah, where business-tech, such as mobile money, proliferate. National government has plans for the new smart city to be built 64 km south of Nairobi as part of its Kenya Vision 2030 plan to grow the economy.⁸⁸ Government’s vision is a “sustainable, world-class technology hub and a major economic driver for the nation, with a vibrant mix of businesses, workers, residents, and urban amenities.”⁸⁹

The plan is to create a special economic zone to house tech companies in education, life sciences and telecoms, as well as a residential district, hotels, universities, all in one walkable city that creates 20 000 jobs.

Proposed as a collaborative funding model between government and the private sector, development has been slow. Several buildings have been completed and construction of roads, the utility corridor and water reclamation system are underway.⁹⁰ Africa is not a unitary place.

None of this is to suggest African second cities can implement a set of uniform policies and expect winning outcomes. The variation across myriad dimensions is wide. The World Economic Forum captures the need for intelligently applying universal evidence to best fit a specific place:

“The right mix of priorities must be tailored to specific conditions and stages of city development. Obviously, priorities for a Western city with a stable population and facing sluggish growth, unemployment and ageing demographics will be quite different to those of an emerging-market city with lower income levels, high growth potential and a rapidly growing population. Cities have big differences in their natural and policy endowments, and hence, in their conditions for reform.”⁹¹

⁸⁶ Ranchod, R. (2020). The data-technology nexus in South African secondary cities: The challenges to smart governance. *Urban Studies*, 57(16), 3281-3298.

⁸⁷ Abendin, S., & Duan, P. (2021). International trade and economic growth in Africa: The role of the digital economy. *Cogent economics & finance*, 9(1), 1911767.

⁸⁸ Konza Technopolis.

⁸⁹ Ministry for Information, Communications and the Digital Economy. Republic of Kenya.

⁹⁰ Burbano, L. (2021). Kenya’s Konza Techno City: Is the project well planned. *Tomorrow City*.

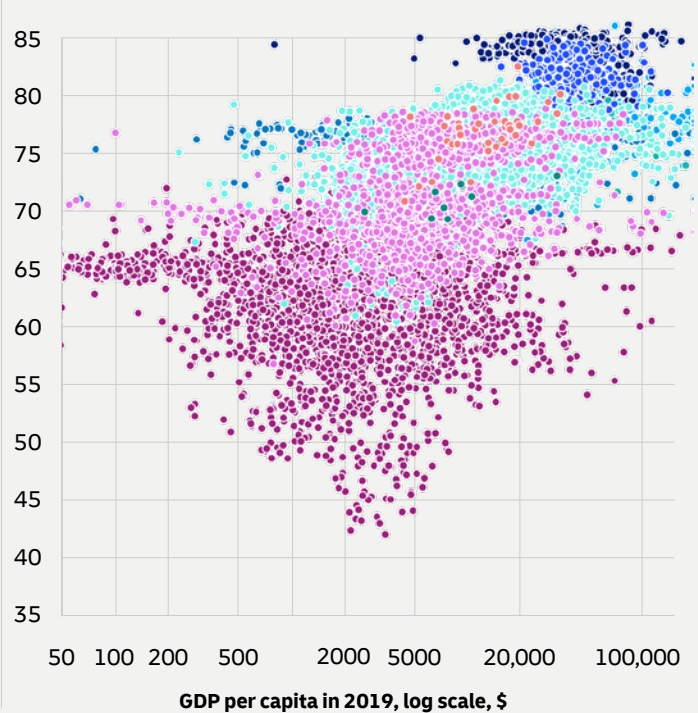
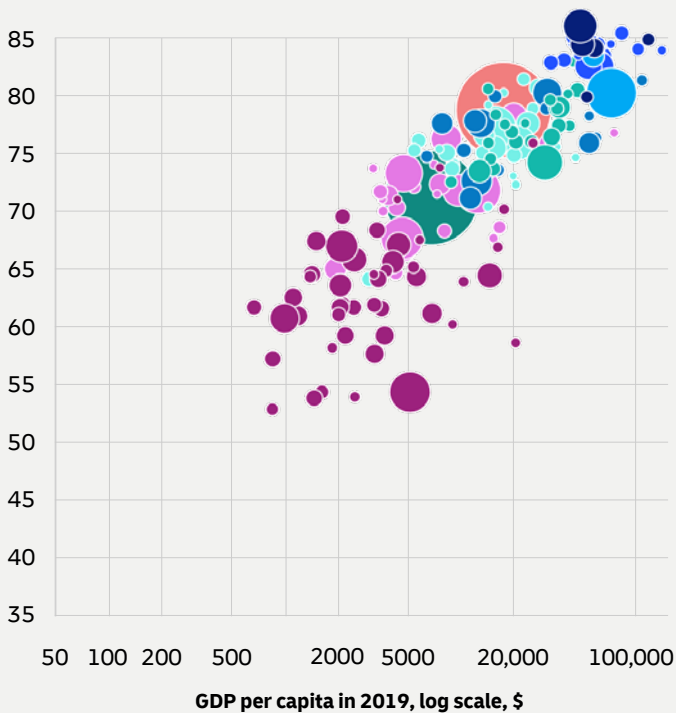
⁹¹ The Competitiveness of Cities: A report of the Global Agenda Council of Competitiveness (2014). World Economic Forum Global Agenda Council on Competitiveness.

MICRO REGIONS

The nation state dominates economic studies as a unit of analysis. GDP per country, international trade, treasuries and central banks are go-to sources of data. Good ones. Cities are a growing source of data and subject of study. Again, this is critical. We can add richness with an even greater diversity of unit of analysis. Consider the power we now have to study economies as “micro regions.”¹¹⁹

Work by the McKinsey Global Institute is showing how this can be done. Using statistical techniques and data from night-time luminosity, as measured with satellites, they have divided the globe into 40,000 micro regions, averaging 180,000 people and 3,000 square kilometres. Or, in the language of GDP, approximately \$3 billion. The upshot is a view some 230 times more granular than a country perspective.

LIFE EXPECTANCY IN 2019, YEARS



- Advanced Asia
- Western Europe
- India
- North America
- Eastern Europe
- Emerging Asia
- Latin America
- MENA
- China
- Sub-Saharan Africa

For the first time at a global level we can see the world as more than 40,000 microregions, a 230 times increase in resolution. Each microregion covered an average of 3,000 square kilometers with \$3 billion of GDP and some 180,000 people in 2019.

Source: McKinsey Global Institute (2023)

McKinsey highlight the potential for analysis by delving into this level of granularity with an example on GDP. They demonstrate that “Mapusa, a small town along a historic trade route in the Indian state of Goa, and in Porto, the second largest city in Portugal ... had virtually the same GDP per capita of \$33,000 in 2019”. But, if we compare each place’s respective county’s GDP per capita at the nation level, we see the distortion involved. As of 2019, this figure was \$6,700 for India and \$34,900 for Portugal.

Treating Mapusa as a poor place and Porto as a wealthy one – as national GDP does – misses important nuance. At a micro region level, we have the power to ask why and how that sum of \$33,000 came about, and how might we recreate Mapusa’s outperformance of India on average?

“When we try to see the world overall, the details, like Mapusa, get smeared out,” say the authors.

¹¹⁹ McKinsey Global Institute. (2023). Pixels of Progress: How a micro regional perspective can inform your strategy.

8. AFRICA'S NEXT CITIES



*“More than ever, cities are the
lifeblood of the global economy.
Their competitiveness increasingly
determines the wealth and poverty of
nations, regions and the world.”*

– Razeen Sally (2014)





Agbogbloshie, Ghana

Africa's cityscapes come with their own unique challenges and opportunities. This reflects the continent's distinct histories. Colonialism and independence are two decisive factors. Regional resource endowments, local cultures, political arrangements and many more drivers also contribute to a need to evaluate Africa's cities from an African perspective. Thus, it is important to attempt to understand development by understanding local economic forces. In some instances, this means finding routes to prosperity despite a dire foundation. In others, it means starting afresh. These "next" cities come in multiple shapes and sizes.

A jarring example of a city turning adversity into opportunities lies on the Korle Lagoon, outside of Ghana's capital of Accra. Agbogbloshie is notoriously the site where millions of tons of electronic scrap are dumped each year.⁹² This tends to arrive at the Port of Tema, 20 miles away, primarily originating from Western Europe and the US. Some scrap is dumped legally and some illegally. Rules preventing dumping of hazardous materials tend to be short-circuited by presenting technological waste as second-hand products.⁹³

The 20-acre-plus informal city has grown around an industry of extracting value from these abandoned phones, laptops, appliances and all manner of other electronic waste (e-waste). Much of this involves burning of components and insulated wires to access valuable metals like copper, steel and aluminium.

The risks to the environment and human health and life are obvious. Toxic waste, including arsenic, lead and mercury,

emerge from the recycling process, posing immediate risks to workers and entering the soil and water system.⁹⁴ The industry also attracts rampant corruption and criminal mafias.⁹⁵

From this troubling reality, we can find potential. Consider that the value of the industry is estimated to be as large as \$268 million annually in Ghana.⁹⁶ As one UN and Basel Convention study from a similar setting in West Africa put it:

"Refurbishing of EEE [electric and electronic equipment] and the sales of used EEE is an important economic sector (e.g. Alaba market in Lagos). It is a well-organised and a dynamic sector that holds the potential for further industrial development. Indirectly, the sector has another important economic role, as it supplies low- and middle-income households with affordable ICT equipment and other EEE. In the view of the sector's positive socio-economic performance, all policy measures aiming to improve e-waste management in Nigeria should refrain from undifferentiated banning of second-hand imports and refurbishing activities and strive for a co-operative approach by including the market and sector associations."⁹⁷

What policies might help to unleash a viable recycling hub that contributes to prosperity and repurposes valuable ingredients of the technologies that make modern life possible? For starters, consider the two international conventions designed to limit dumping of waste, the 1989 Basel Convention and the 1991 Bamako Convention. Both suffer flaws that create definitional loopholes. Updates to tighten up what makes up toxic waste and define whether an exporting country has "proper" facilities could exclude the most damaging dumping.⁹⁸

Local action is also critical. Ghana's Hazardous and Electronic Waste Control and Management Act (2016) has the potential to restrict hazardous waste arriving on Ghanaian shores, but it needs enforcement. Local government also needs awareness campaigns for workers, formal recycling policies, and the promotion of local manufacturing to make use of recycled materials, sustainability plans and multisectoral cooperation.⁹⁹

What about building new African second cities from the ground? It is happening.

"Firms and governments are planning more settlements than at any time in the post-war period,"¹⁰⁰ says *The Economist*, "with many already under construction. Ninety-one cities have been announced in the past decade, with 15 in the past year alone. In addition to its new capital in the north, Egypt is building five other cities, with plans for dozens more. India is considering eight urban hubs."

⁹² Njoku, A., Agbalenyo, M., Laude, J., Ajibola, T.F., Attah, M.A., & Sarko, S.B. (2023). Environmental Injustice and Electronic Waste in Ghana: Challenges and Recommendations. *International Journal of Environmental Research and Public Health*, 21(1), 25.

⁹³ The Toxic Effects of Electronic Waste in Accra, Ghana (2019). Bloomberg.

⁹⁴ Jackson, A. (2024). Redefining Global E-Waste Management: How Can We Learn from Agbogbloshie? University of Michigan, Sweetland Centre for Writing.

⁹⁵ Despite the hazards, Ghana's illicit waste trade is booming (2024). Institute for Security Studies.

⁹⁶ Daum, K., Stoler, J., & Grant, R.J. Toward a more sustainable trajectory for e-waste policy: A review of a decade of e-waste research in Accra, Ghana. *Int. J. Environ. Res. Public Health* (2017). 14, 135.

⁹⁷ Manhart, A., Osibanjo, O., Aderinto, A., & Prakash, S. (2011). Informal e-waste management in Lagos, Nigeria—socio-economic impacts and feasibility of international recycling co-operations. Final report of component, 3, 1-129.

⁹⁸ Jackson, A. (2024). Redefining Global E-Waste Management: How Can We Learn from Agbogbloshie? University of Michigan, Sweetland Centre for Writing.

⁹⁹ Njoku, A., Agbalenyo, M., Laude, J., Ajibola, T.F., Attah, M.A., & Sarko, S.B. (2023). Environmental Injustice and Electronic Waste in Ghana: Challenges and Recommendations. *International Journal of Environmental Research and Public Health*, 21(1), 25.

¹⁰⁰ *The Economist*. Boom: Towns. 9 March 2024.

“Given both the pressing need for new urban areas and the constraints on physical growth in existing ones,” they go on, “starting afresh is sometimes a shrewd decision.”

Egypt is a bold mover in this trend, having launched a brand-new administrative capital city outside Cairo in 2015. This New Administrative Capital (NAC), as it is still known, is a short drive east of the ancient and storied but highly congested city of Cairo and its 20 million inhabitants, on the way to the sea port city of Suez.

The NAC has been designed to be a sustainable, modern urban centre. It will come to house a major government department headquarter, ministries and foreign embassies. Plans are also for a CBD to become a financial hub for North Africa. “Among the city’s cultural and architectural highlights are a 70-story tower — already the tallest in Africa — alongside religious sites, including the Middle East’s largest cathedral and a grand mosque.

“The development plan also includes the Green River Park, envisioned as a vast urban oasis, double the size of New York’s Central Park, and The Octagon, intended to be the new, expansive headquarters for Egypt’s Ministry of Defence. The Capital International Airport is designed to ease congestion at Cairo’s airports and serve as a new regional hub.”¹⁰¹

Yet to be completed, the NAC is on a positive trajectory. Government says 48,000 employees enter the new city each day, nearly 100,000 housing units are finished and 1,200 families have moved in.¹⁰² Major corporations are due to begin moving headquarters to the city during 2024. A more attractive name for the city might lure more businesses, too.



New Administrative Capital, Egypt

One African city combining the old and the new is Stellenbosch – South Africa’s second-oldest city. Some 50 km outside of Cape Town, Stellenbosch is famous as both an educational hub of excellence and the centre of the region’s wine industry. Over the last 20 years, it has also intentionally grown to embrace technological entrepreneurship and address its major challenge of inequality.

Techno Park, an established and growing business park on the outskirts of Stellenbosch, is home to more than 200 businesses across 40 hectares. Tenants include banks, GPS providers, sports tech companies and FinTech firms. Stellenbosch University’s LaunchLab is another contributor to the Silicon Cape ecosystem. It is “the top university-affiliated business builder on the continent, serving as a commercial partner that helps technical experts transform their intellectual property into high-impact, scalable start-ups. Through its ClimateLab, it works with universities by focusing on clean off-grid solutions, e-mobility, FoodTech and AgriTech.”¹⁰³

Stellenbosch’s wealth is starkly contrasted by neighbouring township Kayamandi. There, homes are low-cost and even informal, corrugated iron dwellings. From this very low base, there are signs of upliftment and integration. Connectivity has been boosted by a novel endeavour that is providing pay-as-you-go fibre internet for R5 per day. By the end of 2023, 6,500 homes have been connected on the system and the service provider aims at adding 150,000 more by March 2025.¹⁰⁴

Kayamandi residents may even be able to make their daily commute via EVs in the near future. Researchers at the Department of Industrial Engineering at Stellenbosch University recently retrofitted a minibus taxi to run on electricity. “This prototype electric taxi, which will be used to prove the concept and for testing, was recently completed and is operational. It is currently being tested for road safety, after which performance testing will commence.”¹⁰⁵ This comes alongside growing generation of solar energy by the Stellenbosch Municipality,¹⁰⁶ smart traffic management,¹⁰⁷ and the proposed multibillion-rand Cape Winelands Airport set to open Stellenbosch to the world in 2027 without the need to drive to Cape Town International Airport.¹⁰⁸

Stellenbosch, in the absence of a natural industrial centre, has nurtured a diverse economy, with a focus on knowledge-based industries, high-tech manufacturing, and sustainable agriculture. This has created a spectrum of job opportunities and economic growth, benefiting all strata of society.

¹⁰¹ Satellite Image Shows Construction of Egypt’s New Capital (2024). Newsweek.

¹⁰² Werr, P. (2024). Egypt plans expansion of new capital as first residents trickle in. Reuters.

¹⁰³ Crouth, G. (2023). Stellies LaunchLab works to stop valuable academic research from gathering dust. Daily Maverick.

¹⁰⁴ Mzekandaba, S. (2023). Fibertime’s R5/day internet to cover more township communities. ITWeb.

¹⁰⁵ SU & partners retrofit first minibus taxi in SA to run on electricity. (2023). Stellenbosch University Engineering.

¹⁰⁶ Rehbock, R. (2022). Stellenbosch Municipality is generating its own power. Cape Business News.

¹⁰⁷ Dordley, L. (2018). Africa’s first smart traffic lights piloted in Stellenbosch. Cape Town Etc.

¹⁰⁸ Venter, I. (2024). Multibillion-rand Cape Winelands Airport aims to receive first passengers in 2027. Engineering News.

9. CONCLUSION



“Cities are the vacuum cleaners and the magnets that have sucked up creative people, creating ideas, innovation, wealth and so on.”

– Geoffrey West (2011)

We take cities for granted. When we reflect on these complex human phenomena, then the power of cities – for good and bad – is unmistakable. Cities enable us to match up with people whose skills complement our own. To share. To learn.

The locus of great city synergy is mobile over space and time. Much like urban dwellers, it moves. At times, this motion can seem unpredictable and random. Great centres rise and wane. We don't always know why. However, economic thinking can decipher the common ingredients that give a city the best chance of prospering.

No region needs these more than Africa. And no cities have greater scope to benefit from healthy growth than the second cities of the continent.

Second cities hold one of the keys to unlocking the potential of a demographic dividend, just as much as potential is held by “next” cities, with all of their unique difficulties and opportunities, often unlike anywhere else on the planet.

It is within our grasp to enable these cities to thrive. We can lay the foundation stones for the next great story of urban prosperity and growth that, with the wonders of modern connectivity, improves the lives of 1.3 billion Africans and more beyond these shores.

MOVING MEGACITIES

Cities in general need renewed thinking for several reasons. An obvious one is that we're in a post-Covid world, where remote work and online meetings are the norm. Hybrid office models are still being experimented with. Nothing resembling an equilibrium has been reached.

Also, megacities aren't what they used to be. In 1950, New York was the world's dominant city with some 12 million inhabitants. Today, that position is Tokyo's, with 38 million inhabitants. Delhi and Shanghai have 34 million and 27 million, respectively. "The ever-growing size of megacities has brought the linearity of the relationship between increased city size and economic growth at these city dimensions into question".¹²⁰ And Delhi is set to overtake Tokyo as the world's largest city by population in approximately 2030. This is based on UN forecasts of Delhi adding 10 million inhabitants having started in 2018, while Tokyo's population falls by 900,000 people, causing the former to overtake the incumbent at around 37 million people.¹²¹

"The OECD (2006), for example, finds support for a positive effect of city size on income at the city level, but only if some of the largest cities are excluded from the sample. When restricting the sample to megacities of more than 7 million inhabitants, the coefficient turns negative. Similarly, McCann and Acs (2011) indicate that among the 75 most-productive cities in the world, 29 cities have a population of less than 3 million inhabitants, while 32 range between 3 and 7 million."¹²²

Considering the size of today's megacities, in particular, these are by no means the largest cities. Dijkstra, Garcilazo, and McCann (2013) explore the contribution of different European cities to national economic growth. Again, they find that not only have mid-size cities grown faster than very large cities, but also that their contribution to national economic growth has been greater. Research by Parkinson and co-authors, covering 31 European capitals and 124 second-tier cities (ESPON 2012), comes to a similar conclusion" (Frick, 2018).

The era of digital meetings represents a great opportunity for second cities. As primary cities suffer from overcrowding and skyrocketing property prices, ever more people are seeking the benefits of second cities and a "work from home" lifestyle that no longer demands physical presence in an office tower in a large business district, where property prices are prohibitive.

BENIN: AFRICA'S EARLY GREAT CITY

Picture a city with walls "four times longer than the Great Wall of China" that "consumed a hundred times more material than the Great Pyramid of Cheops".¹²³ That is how New Scientist's Fred Pearce described not a great ruin in Europe or from the Aztec Empire, but from West Africa. Benin City's walls have been described as the largest earthworks carried out before the mechanical era.¹²⁴

The city in what is now the south of Nigeria was, in fact, surrounded by multiple defensive walls and deep ditches, protecting the capital itself and some 500 villages. It is estimated that the walls spanned a total of 16,000 km. All were built by the Edo people. Pearce concludes, "They took an estimated 150 million hours of digging to construct, and are perhaps the largest single archaeological phenomenon on the planet".¹²⁵

Despite very little of Benin City remaining today, it is thought that it was one of the first cities with something resembling a system of street lamps. Pearce describes these as hulking metal structures that burned palm oil to illuminate common areas at night.

In 1691, the captain of a Portuguese ship that had come across the great city remarked, "Great Benin, where the king resides, is larger than Lisbon; all the streets run straight and as far as the eye can see. The houses are large, especially that of the king, which is richly decorated and has fine columns. The city is wealthy and industrious. It is so well governed that theft is unknown and the people live in such security that they have no doors to their houses."

This may be the largest structure ever built and Africa's first megacity. Perhaps the greatest city many people have never heard of, but this is a narrative for another day. Our story here is of the power and potential of second cities, and specifically in the context of Africa as it sits on the cusp of a powerful demographic dividend underpinned by the thrust of urbanisation.

¹²⁰ Frick, S.A., & Rodríguez-Pose, A. (2018). Big or small cities? On city size and economic growth. *Growth and change*, 49(1), 4-32.

¹²¹ United Nations. *The World's Cities in 2018*.

¹²² McCann, P., & Acs, Z. J. (2015). Globalization: countries, cities and multinationals. In *Global Entrepreneurship, Institutions and Incentives* (pp. 371-386). Edward Elgar Publishing.

¹²³ Pearce, F. (1999). The African queen. *New Scientist*.

¹²⁴ Guinness Book of World Records. (1974).

¹²⁵ Pearce, F. (1999). The African queen. *New Scientist*.

10. SECOND CITY VIGNETTES

Africa's second cities are diverse and dynamic. From Indian Ocean industrial ports to bustling mining hubs in the continent's heartland, colourful tourist hotspots to burgeoning tech hubs, their richness and variety are too great to attempt outlining here. We present merely a sample of vignettes to shine some light on the challenges and opportunities that African second cities present.





KANO: NORTHERN NIGERIA'S POWERHOUSE OF CULTURE AND COMMERCE

Kano, with its \$12.39 billion economy, represents a departure from Nigeria's reliance on resource exports. Nigeria's second-largest city, after Lagos, has a diverse economic base in commerce, manufacturing, and agriculture. The capital city of the Kano state, it is renowned for its agricultural output and textile industry. It is perhaps best known commercially for its exports of groundnuts, accounting for about half of the country's total. It also has a long-established leather goods industry, including leather tanning expertise.

Kano is experiencing a period of transformation, with several projects aimed at upgrading its infrastructure and economic profile. The Kano Economic City (KEC) project is set to establish the largest modern market in Northern Nigeria. This effort is complemented by the Federal Government's plan to construct 10,000 low-cost residential units, a World Trade Centre, educational facilities, and light industrial factories.

To modernise Kano's transportation infrastructure and serve its growing population of some 4.5 million, the Kano state has initiated a comprehensive transport scheme that includes a light rail project. Launched by Governor Abdullahi Ganduje, this multi-billion-naira venture seeks to enhance public transportation with the acquisition of 50 taxis and 100 buses, aiming to resolve the city's public transport deficiencies.

The Dala Inland Dry Port, operational since mid-2022, is the largest privately owned inland container depot in Nigeria. Operating as a hub for rail and road, it is designed to reduce export container transportation costs by up to 25%. Built on a public private partnership and transfer model, Dala operates as a port of origin and destination as part of the federal government's commitment to decongest existing sea ports and extend shipping business into the hinterland.



LUBUMBASHI: METALLIC MINING HUB OF THE DRC

Lubumbashi, in the mining heart of the Democratic Republic of Congo (DRC), is richly endowed with resources, including copper and cobalt. Home to just under 3 million people, it is the capital of the Haut-Katanga Province and a mainstay of the Copper Belt.

The city's prospects are being propelled by ambitious initiatives such as the Kiswishi Special Economic Zone. This development stretches approximately 4,400 hectares along the Kiswishi river and is proximal to the airport. It is the country's first special economic zone, and has exemptions on a variety of taxes.

Complementing these local advancements is the strategic Walvis Bay-Ndola-Lubumbashi Development Corridor. This corridor is integral to enhancing regional trade, facilitating smooth transit of goods and services across Namibia, Zambia, and the DRC, and championing regional integration and economic cooperation.

Supported by funding from the African Development Bank's Technical Assistance Fund, the Walvis Bay Corridor Group is set to enable substantially more trade, especially in commodities, including cobalt oxides, copper ore and refined copper.



CAPE TOWN: SOUTH AFRICA'S QUINTESSENCE OF NATURAL BEAUTY AND ECONOMIC DIVERSITY

South Africa's oldest city and seat of Parliament, Cape Town is frequently among the top few cities on the popular media's lists of best places to visit. From mountains, beaches and the Cape Floral Region to the Winelands, international harbour and the magnificent sports stadium in Green Point, it offers visitors plenty of options.

Cape Town's tourism business has surpassed pre-Covid levels. It also benefits from the remote-work phenomenon, with large numbers of Europeans choosing to spend several months of the southern hemisphere's summer in the Mother City.

Cape Town is also benefiting from the decline of Africa's economic powerhouse of Johannesburg. "Semigration", as it is known, is seeing a large 'brain drain' of middle-class homeowners from the 'City of Gold' to the coastal 'Mother City', where municipal management has been far more successful.¹⁰⁹

The city benefits from surrounding agricultural areas, popular wine farms and popular tourist routes, especially the Garden Route with stretches from Cape Town east along the coast.

Cape Town is a leader in the battle to overcome power shortages and scheduled nationwide outages (so-called loadshedding). It has invested in renewable energy procurement, with a total capacity of 600 MW, highlighting its commitment to a sustainable energy future amidst broader energy challenges that include loadshedding. The city's proactive strategy to increase its resistance to loadshedding by 2026 demonstrates an eagerness to confront infrastructure and governance obstacles.

In a major boost for foreign direct investment, e-commerce giant Amazon is establishing Cape Town as a major foothold into the rest of Africa. The tech and retail giant is constructing a \$300 million headquarter in the city, ahead of a full launch of Amazon's e-commerce on the continent.



MOMBASA: KENYA'S COASTAL CRUX OF HERITAGE AND TRADE

Mombasa, nestled on Kenya's south-eastern coast, is an ancient trading city. It remains a commercial hub with a large port and international airport, but counts tourism as a major contributor to output, too. With a population of 1.5 million, it is the country's second largest city, after the capital Nairobi.

The city contends with a significant challenge of water scarcity, drawing its supply from Marere Springs in Kwale, Mzima Springs in Taita-Taveta, and Baricho Dam in Kilifi, while installed capacity is nonetheless around half of what it should be.

The city plans to construct a desalination plant to bolster its water supply; yet, the high cost and lack of funding have stalled progress. The ageing water infrastructure results in substantial water loss due to leaks and pipe breakages.

The national government has initiated considerable investments in infrastructure, such as the \$4 billion Nairobi-Mombasa standard gauge railway, supported by the Kenyan and Chinese governments, and road improvements to mitigate traffic between Changamwe and Mombasa Island. Additionally, international partnerships have enabled the construction of the Dong Kundu Bypass and the second Mzima Springs water pipeline, enhancing transportation and water supply systems.

Mombasa has taken the first steps toward the creation of an SEZ. The initial development is set to be carried out by a Japanese construction company. This 33.5 billion yen project has funding from the Japan International Cooperation Agency and will include a port, industrial parks, transport infrastructure, logistics and warehousing, and other necessities.

Kenya is also partnering with Japan to build a 600 m span, four-lane bridge to link Mombasa Island with Mombasa Mainland South, thus negating the need to cross the Likoni Channel by ferry.

¹⁰⁹ Western Cape is first choice for semigrants (2021). Lightstone.



RABAT: WHERE MODERNITY MEETS ANTIQUITY

Although Morocco's capital, Rabat is only the country's seventh-largest city, with a population of under 2 million.

Rabat's ancient origins were recognised in 2012 when it received UNESCO World Heritage Site status. Its reputation as a city of contracts was confirmed in 2023, when it marked its digital presence on the map by securing the fourth position in Africa on the IMD Smart Cities Index, just one position behind Cape Town.

The following year, it hosted the Congress of United Cities and Local Governments, which addressed the theme of democracy and participatory planning in cities.

Moroccan tourism is on the rise. In 2023, it received a record 14.5 million tourists. That was up 34% on 2022 numbers.¹¹⁰ Industry magazine Condé Nast included Rabat in its list of 24 places to visit in 2024. The American-based publication sums up the city's tourism appeal in the context of Morocco's other attractions thus: "The understated Moroccan capital of Rabat, with its gorgeous coastal Atlantic setting, is strangely overlooked by many travellers. While it may not have the irresistible energy of Marrakech, the dizzying labyrinthine lanes of Fez, or the dreamy romanticism of Tangier, it boasts a 12th-century kasbah overlooking the sea, expanses of green and palm-lined avenues, and a well-priced, hassle-free Medina, where browsing is a true joy."

Rabat's development, alongside its twin city Salé, has been an instructive case study. "Salé was characterised by large slums, high unemployment, poor service delivery and limited mobility. Today, it is a changed city, providing housing to the majority of Rabat's working class, with a modern tram linking the two cities."¹¹¹

While imperfect, the 'Villes Sans Bidonvilles' (VSB) or 'Cities without Slums' programme, launched in 2004 by the national government, has been credited with much of this success. The programme's phased model of upgrading facilities, rehousing people and finally resettling people holds lessons for other African cities dealing with informal settlements. By June 2018, Morocco declared that it had succeeded in 58 of the 85 cities it set out to make slum-free under this programme.¹¹² Rabat is also a hub of learning. Mohammed V University, established in 1957, is one of Morocco's most prestigious institutions. It was joined as recently as 2010 by the International University of Rabat.

¹¹⁰ Ministry of Tourism, Handicrafts and Social and Solidarity Economy (2024). Kingdom of Morocco.

¹¹¹ Hamukoma, N., Doyle, N., & Muzenda, A. (2018). Future of African Cities Project: Rabat and Salé—Bridging the Gap (No. 1814). Policy Center for the New South.

¹¹² Atia, M. (2022). Refusing a "City without Slums": Moroccan slum dwellers' non-movements and the art of presence. *Cities*, 125, 102284.



KUMASI: GROWING PAINS IN GHANA

Kumasi, Ghana's second-largest city, behind the capital Accra, is also the cultural nucleus of Ghana's Ashanti Region. The city is a crucial centre for education and a node for commercial activities, notably contributing to Ghana's cocoa sector.

Kumasi faces extreme challenges from urbanisation. The city has experienced a high level of urban encroachment, which has led to multiple difficulties. One primary challenge is the pollution of water bodies.¹¹³ Rapid urbanisation has led to communities building homes in wetlands and using the Subin and Wiwi rivers for dumping.¹¹⁴ The upshot is that half of Kumasi's residents lack access to household toilets.¹¹⁵

Plans are taking shape to help the city grow out of these problems. The Greater Kumasi Industrial City Project is a major initiative to boost the city's commercial prosperity with a special economic zone (SEZ). Long in the making, the 1000-acre expanse of land set to house the deployment was acquitted in 2005 as one of Ghana's Export Processing Zones under the Free Zones Authority. Construction eventually kicked off in 2021.

Infrastructure and policies will prioritise cocoa processing, manufacturing, warehousing, logistics and a "cyber village". The \$100 million-plus project, financed with a World Bank facility, aims to create at least 5 000 direct jobs and 12 000 indirect jobs.¹¹⁶



BEIRA: AN INDIAN OCEAN GATEWAY CITY

Beira rests where the Mozambique's Pungwe River meets the Indian Ocean. The port serves a central role in regional trade, despite being the nation's second-largest port after Maputo. It is also benefitting from the inability of neighbour South Africa's ports to grow.

Beira, by contrast, improved its ranking in the World Bank's Container Port Performance Index (CPPI) from 270th to 223rd between 2021 and the most recent publication of the report in 2022 – making it the top port in southern Africa,¹¹⁷ despite the devastation the city suffered in 2019 by Cyclone Idai.

The Mozambican Government has set in motion a significant investment plan to develop and modernise the Port of Beira, with an allocation of \$290 million over a 15-year period.¹¹⁸ This strategic infrastructure project aims to respond to the growing demand and capacity needs of the port, which is a crucial hub not only for Mozambique, but also for the landlocked countries in the region that rely on it for their imports and exports.

One of the key outcomes expected from this investment is a substantial increase in the port's container handling capacity. The current capacity stands at 300,000 containers per year, and with the planned expansion, it is projected to more than double to 700,000 containers annually.

Like much of Mozambique, Beira suffers from poor access to drinking water and sanitation, and much like the rest of the nation, Beira's fortunes are heavily impacted by violence and insurgency in the Cabo Delgado Province, on the northern border with Tanzania, where Islamist groups seek to establish a breakaway regime.

¹¹³ Appiah Takyi, S., & Amponsah, O. (2024). Ghana: Kumasi city's unplanned boom is destroying two rivers – sewage, heavy metals and chemical pollution detected. *The Conversation*.

¹¹⁴ Ibid.

¹¹⁵ Kigali-Kumasi: A tale of two cities (2023). SDG Local Action.

¹¹⁶ Greater Kumasi Industrial City Project, Set to Kick off (2021). Ghana Free Zones Authority.

¹¹⁷ Container Port performance Index: A Comparable Assessment of Performance based on Vessel Time in Port (2022). World Bank Group.

¹¹⁸ Expansion Planned at Mozambique's Beira Port (2023). Construct Africa.

“AND” NOT “OR”

It would be a mistake to pit primary cities up against second cities. Each has tremendous benefits and their own (often overlapping) challenges. There is a longstanding debate among urban economists as to the importance of city size.¹²⁶ Some argue ‘bigger is better’. Others emphasise characteristics, such as industrial composition, size of firms and quality of institutions.

The reality is that this is a complicated field of human activity. “The development effects of urbanisation and the magnitude of agglomeration economies are very variable. There is no simple linear relationship between urbanisation and economic growth, or between city size and productivity. The potential of urbanisation to promote growth is likely to depend on how conducive the infrastructure and institutional settings are.”¹²⁷

In this paper, we acknowledge the importance of cities of all sizes. We focus on second cities as places with particular importance to Africa’s potential. For their room to grow, importance to more rural populations and superior agility to large cities, they are deserving of special attention.

We reflect the sentiment of Chen and Kanna: “The 21st century is the ‘Century of Cities’, when and where cities have become more critical to the global connection and organisation of economic activities and everyday life, but we often do not look at the importance of cities beyond a short list – New York, London, Paris – to which we have correctly and, in a timely fashion,

added the dynamic megacities of Shanghai and Mumbai from the rising economic powers of China and India. This is a narrow-minded and short-sighted gaze at the interconnected world of cities. Although much less known, many secondary cities are playing increasingly stronger roles in the global economy than expected of their size and status, and thus deserve a focused understanding of why and how this is so.”¹²⁸

They go on, “Secondary cities can help us critique the dominant globalisation and global city discourse that features hierarchical power and inter-city competition, in light of complicating historical and political forces operating at the subnational and regional levels.”

Primary and secondary cities also cannot be treated as static phenomena. Migration, for example, means primary and secondary cities are part of the same economic ecosystem.

“Contrary to popular belief, most rural–urban migrants do not migrate directly to large metropolitan and secondary cities. Instead, the process is transitional, starting with migration to the nearest regional town or small city and then moving to larger cities after gaining urban life skills and experience.”¹²⁹

So, with primary and secondary cities, it is not one or the other. It is both. They are different. There is certainly a growing realisation that second cities are different to primary cities, and therefore need their own research agenda and policy models.¹³⁰

¹²⁶ Turok, I., & Visagie, J. (2023). Cities, Productivity and Jobs in South Africa: Problems and Potential.

¹²⁷ Turok, I., & McGranahan, G. (2013). Urbanisation and economic growth: the arguments and evidence for Africa and Asia. *Environment and Urbanisation*, 25(2), 465–482.

¹²⁸ Chen, X., & Kanna, A. (2012). *Secondary Cities and the Global Economy*. Trinity College Digital Repository.

¹²⁹ Roberts, B.H., & Anyumba, G.O. (2022). The dynamics of systems of secondary cities in Africa: urbanisation, migration and development. Cities Alliance, Brussels, citing Ingelaere, B., Christiaensen, L., De Weerd, J., & Kanbur, R. (2017). A migrant’s perspective.

¹³⁰ Cardoso, R.V., & Meijers, E.J. (2016). Contrasts between first-tier and second-tier cities in Europe: A functional perspective. *European Planning Studies*, 24(5), 996–1015.

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