Human Settlements Global Dialogue Series, No. 1

Globalization and urban centres in Africa

Carole Rakodi and Emmanuel Nkurunziza

International Development Department, School of Public Policy,
University of Birmingham, United Kingdom

United Nations Human Settlements Programme (UN-HABITAT)

Nairobi, 2007

The designations employed and the presentation of the material in this report do not imply the expression of any opinion whatsoever on the part of the Secretariat of the United Nations concerning the legal status of any country, territory, city or area, or of its authorities, or concerning delimitation of its frontiers or boundaries, or regarding its economic system or degree of development. The analysis, conclusions, and recommendations of this report do not necessarily reflect the views of the United Nations Human Settlements Programme or its Governing Council.
This material is copyrighted. Excerpts from the text may be reproduced without authorization, on condition that the source (© UN-HABITAT) is indicated and that the HS-Net Secretariat is notified (by e-mail, to hs-net@unhabitat.org).

Cover design: UN-HABITAT.
Cover photo credits: UN-HABITAT.
Printing: UNON Print Shop, Nairobi.

Copyright ©: UN-HABITAT.
Nairobi, 2007.

Human Settlements Global Dialogue Series, No. 1.
HS/865/06E.
ISBN 978-92-113-1891-3 (this volume).
ISBN 978-92-113-1924-8 (Human Settlements Global Dialogue Series).

An electronic version of this publication is available from the UN-HABITAT website at http://www.unhabitat.org/hs-net.

UN-HABITAT publications can be obtained from our Regional Offices or directly from:

UN-HABITAT
Information Services Section
Box 30030, GPO Nairobi 00100, Kenya
Tel: +254 (20) 7623477; Fax: +254 (20) 7623477/7624266/7624267
E-mail: infohabitat@unhabitat.org; Website: http://www.unhabitat.org/

Contents

I. Globalization 1
I.A. Economic globalization 2
I.B. Political globalization 5
I.C. Cultural globalization 6

II. Trans-border flows, Africa and the global system 8
II.A. Trade 8
II.B. Capital flows 13
II.C. International migration 21
II.D. Political globalization and Africa 22
II.E. Cultural globalization and Africa's connectivity 27
II.F. Globalization and structural adjustment: Economic growth and development in Africa 29

III. Implications of globalization for Africa's cities 31
III.A. The implications of globalization for urban economies 31
III.B. The implications of globalization for people's lives 40
III.C. Globalization of policy making 47

IV. Conclusion 50

List of references 52

List of tables

Table 1. Ratio of exports of goods and services to GDP 12

Table 2. Proportion of the urban population below the national poverty line...42

List of acronyms

AGOA	African Growth and Opportunity Act (United States of America)
CBD	Central business district
EBA	Everything But Arms programmes (European Union)
FDI	Foreign direct investment
GATT	General Agreement on Tariffs and Trade
GDP	Gross domestic product
GNP	Gross national product
HIPC	Heavily Indebted Poor Countries (IMF)
IFIs	International financial institutions
IMF	International Monetary Fund
ISI	Import substitution industrialization
NGO	Non-governmental organization
NIEs	Newly industrialized economies
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
PRSP	Poverty Reduction Strategy Paper
SAPs	Structural adjustment programmes
SOEs	State owned enterprises
TNCs	Transnational corporations
UN-HABITAT	United Nations Human Settlements Programme
UNCHS	United Nations Centre for Human Settlements (since 2002 known as UN-HABITAT)
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNECA	United Nations Economic Commission for Africa
USAID	United States Agency for International Development
WTO	World Trade Organization

Abstract

This paper explores the impacts of economic, cultural and political globalization processes on urban Africa. It identifies changing globalization trends, explores the impacts on Sub-Saharan Africa of both cross-border flows of goods, services, capital and people and political globalization, and assesses their implications for urban settlements. For many reasons, it is argued, African countries have not been able to benefit from the opportunities offered by globalization and have instead been trapped by external shocks, international influences and their domestic political economies in the restricted mode of economic integration inherited from the colonial past. Although policy reform was needed, increased aid dependence in the 1980s made countries susceptible to uniform policy prescriptions determined largely by outside agencies. Globalization trends influence urban areas through three inter-related channels — the economy and labour markets, people's lives, and approaches to governance and management. It is argued that globalization has produced some changes in towns and cities, but also that external influences interact with local economic, political and social circumstances to produce different outcomes, and these in turn help to shape the global forces. At present, the ability of urban settlements and their inhabitants to defend themselves against the adverse impacts of economic and political globalization, or to realize the potential benefits of increased trans-border flows of capital and technology seems limited and for many in the informal settlements of large cities and urban centres in rural regions, the impacts of the new forms of globalization seem very remote.

About the authors

Carole Rakodi is a social scientist and urban planner. She has worked for government agencies and the World Bank in Zambia and the United Kingdom Department for International Development (DFID) in Kenya and carried out research and consultancy work in Zambia, Zimbabwe, Kenya and Ghana. Her research has focused on urban land and housing, urban management and urban livelihoods. She is currently Director of the DFID-funded *Religions and Development* Research Programme Consortium. She has published widely, has edited a number of books (including *The Urban Challenge in Africa*, UNU Press, 1997 and *Urban Livelihoods: A People-Centred Approach to Reducing Poverty*, Earthscan, 2002) and is the author of *Harare: Inheriting a Settler-Colonial City: Change or Continuity?*, Wiley, 1995.

Emmanuel Nkurunziza is a surveyor and planner. He has practised in Uganda and taught in Makerere University. His research is published in "Neighbourhood formation process: access to housing land in Kamwokya, Kampala" (in Konings, P. and Foeken, D., (Eds), *Crisis and Creativity*, Brill, 2006) and "Two states, one city? Conflict and accommodation in land delivery in Kampala, Uganda" *International Development Planning Review*, forthcoming.

The authors are collaborators in research on informal land delivery systems in African cities and a study of ill health, HIV/AIDS and urban livelihoods in Kenya and Zambia.

Carole Rakodi

Professor

International Development Department, School of Public Policy, University of Birmingham, Edgbaston, Birmingham B14 2TT, United Kingdom

E-mail: c.rakodi@bham.ac.uk

Website: www.idd.bham.ac.uk

Dr. Emmanuel Nkurunziza

Research Fellow

International Development Department, School of Public Policy, University of Birmingham, Edgbaston, Birmingham B14 2TT, United Kingdom

E-mail: e.nkurunziza@bham.ac.uk

Website: www.idd.bham.ac.uk

Globalization and urban centres in Africa

The aim of this paper is to identify the impacts of globalization processes on urban Africa. The arguments will be developed in three stages: first, globalization will be defined and different types of globalization process identified; second, the implications of these processes for Africa will be discussed; and third, their existing or potential impact on urban settlements will be assessed.

I. Globalization

Globalization refers to economic, cultural and political processes and flows which increasingly transcend the territorial confines of the nation state. It implies acceleration, widening and deepening of cross-border transactions, linking not just economies but governance, cultures and people's lives. There is considerable debate about whether and how current transnational flows and links are different from those of periods prior to the 1980s.

Some consider current trends an inevitable outcome both of changes in capitalist economic organization (drivers and products of recent technological development) and of political developments, especially the collapse or radical restructuring of the former centrally planned economies. These are often the optimists, who consider

> *"that globalization is the improver of everything from wages to political freedoms and environmental standards ... a win-win situation, because foreign products and investment increase economic efficiency, political transparency and overall competitiveness"* (Short and Kim, 1999:6).

Others regard the trends as constituting a "globalization project", driven by transnational corporations (TNCs), international financial institutions (IFIs) and neo-liberal economists, and aimed at incorporating *"the world's diverse economies into a single global free market"* (Gray, 1998:2). Many are pessimists, viewing *"globalization as the destroyer of everything from social welfare programmes to living standards"* (Short and Kim, 1999:6), resulting in increased polarization between and within societies. Views differ on the extent to which

> *"the power of national states to influence economic activity is eroding as economies become more integrated, while the power of private businesses and market forces is correspondingly rising"* (Baker and others, 1998:2).

Cultural and political globalization are important, but linked to and driven by economic globalization and so most of the discussion in this paper will focus on the latter. In the remainder of this section, the causes of economic globalization and characteristics of its key agents will be briefly discussed, leading into an introduction to political globalization, and finishing with a brief discussion of cultural globalization.

I.A. Economic globalization

Economic globalization refers to *"the trend by both firms and countries towards a more integrated cross-border organization of economic activity"* (Dunning, 1997:14). It implies that the significance and scope of all types of cross-border transactions has greatly increased, and that the major institutional players are changing their ways of thinking and modes of action. In addition to the longstanding need for sources of raw materials and export markets for manufactures and shifts in production patterns resulting from increasing costs in industrialised societies in the mid-twentieth century, the basic causes of contemporary globalization are changes in the organization of economic activity, driven by the pressure on business enterprises (from consumers and competitors alike) to continually innovate and upgrade quality. The increasing costs of research and development and ever-truncated product life cycles are leading producers to search for wider markets, adopt 'lean production' practices, concentrate on their core competencies and develop alliances with other firms, often via subcontracting. Technological change arises from these competitive challenges. It also facilitates changes in organization. It reduces the friction of distance, by reducing the real and relative costs of transport and information and communications and enabling co-ordination of activities in geographically far-flung locations (Dunning, 1997; Katseli, 1997; UNDP, 1999).

The key actors in this process are the TNCs, of which there are about 61,000, with about 900,000 foreign affiliates. They account for 10 per cent of world GDP and a third of global exports (UNCTAD, 2004). They manage 75 per cent of world trade in manufactured goods (of which a third is intra-TNC or TNC-affiliate trade) and carry out 75 per cent of research and development in OECD countries (Chang, 1998:98). The dominance of a relatively small number of TNCs is reflected by their disproportionately large contribution to international production. For instance, the top 100 — fewer than 0.2 per cent of all TNCs worldwide — accounted for 14 per cent of the global sales of foreign affiliates, 12 per cent of their assets, and 13 per cent of their employment in 2002 (UNCTAD, 2004). In 1995, 70

countries had a GNP of over US$10 billion, compared to over 400 TNCs with sales of over $10 billion (Sklair, 1999). The size and reach of TNCs has continued to grow, increasingly via mergers and takeovers, and also by the development of strategic inter-firm alliances: asset gaining/shedding to strengthen core competencies, acquire new technologies, spread risks, capture economies of synergy or scale and gain access to new markets or distribution channels. While the largest TNCs remain geographically located in a few countries (the United States of America, France, Germany, Japan and the United Kingdom accounting for 71 out of the top 100), on average, each of the top TNCs has affiliates in 39 foreign economies. Among developing countries, Brazil hosts the largest number of affiliates of the top 100 TNCs (75), followed by China (60). Over 90 per cent of the top 100 TNCs have their headquarters in the European Union, the United States of America or Japan, with the European Union hosting more than half of them and the United States of America a quarter. There has, however, been a recent rise in the number of TNCs in the top 100 that are based outside the European Union, the United States of America, and Japan. Altogether the top 100 TNCs have their headquarters in 19 different countries, although only four of these are developing countries (UNCTAD, 2004).

Some argue that these corporations are national firms with operations abroad rather than truly 'transnational' or stateless bodies, in that the country of their home base is still the most important to their operations. However, they all have global strategies, which express the interests of those who own and control them, rather than the country in which they are headquartered. (Chang, 1998; Sklair, 1999). One indication of this is the composition of the boards that run the top TNCs. As part of their assessment of TNC transnationality, UNCTAD found that many of the top TNCs, particularly those originating from Europe, have a high proportion of non-home-country nationals on their boards, TNCs from the United Kingdom having the highest percentage (52 per cent) (UNCTAD, 2004).

The critical question for developing countries is whether TNCs are essential agents of development, promoting economic integration and thus enhancing efficiency and growth, or so pervasive and powerful that they prevent the pursuit of national strategic economic policies. To help answer this question, it is useful to analyse the organization of production in terms of commodity chains and to distinguish between transnational manufacturing firms that shape the globalization of production by their strategic investment decisions (e.g., cars, computers, electrical machinery) and foreign buyers of consumer goods that use their large orders to mobilise

global networks of overseas subcontractors and traders (e.g., garments, footwear, toys, housewares) (Gerreffi, 1994). In addition to distinguishing between producer-driven and buyer-driven commodity chains, the increasing transnationalisation of services must be recognised.

A further propellant of globalization has been liberalization. Between 1950 and 1973, 'big government', in combination with Keynesian macro-economic management in the north and import substitution industrialization (ISI) in the south, was marked by rapid world per capita economic growth (3.9 per cent per annum compared to 1.3 per cent per annum 1870-1913 and 1.2 per cent per annum 1973-1992) (Baker and others, 1998:19). Although evidence that the debt crisis in the early 1980s was due to 'big government' policies was ambiguous, the crisis rendered developing countries vulnerable to pressures to copy the liberal regime of marketization, deregulation and macro-economic austerity adopted in northern countries, especially the United States of America and the United Kingdom.

It is in this respect that Sklair's (1994) concept of the transnational capitalist class is useful. This, he suggests, is comprised of TNC executives and their local affiliates, the state bureaucrats, politicians and professionals, and consumer elites (merchants and the media), and to which we would add staff of the IFIs and bilateral aid agencies. These are the proselytisers of economic liberalization, which, *inter alia*, involves the breakdown of national barriers, especially in the areas of finance, trade and foreign direct investment (FDI). Together, changing economic organization and liberalization of policy have resulted in increasing flows of capital, information and people across national borders. These flows will be discussed in more detail in section II.

However, the pace and pattern of globalization has been very uneven amongst firms, sectors and countries (Slater, 1998; Short and Kim, 1999). While some firms are organized on a transnational basis and some markets (e.g., financial markets) are largely globalized, others remain local, national or regional. Many features of globalization apply primarily to the Triad nations (Europe, North America and East and Southeast Asia). The result has been growth and expansion in a few leading or fully participating countries, moderate and fluctuating growth in some which are attempting closer economic integration, and marginalization or deterioration for many countries unable to escape the low commodity prices or the debt trap, when it comes to coping with the problems of liberalization or benefiting from economic opportunities. One outcome has been increasing inequality between and within countries.

In 1965 the average per capita income of the G7 countries was 20 times that of the poorest seven countries. By 1995 it was 39 times greater (Khor, 2000). As clearly pointed out by the *Human Development Report 2005*, these global inequalities have increased over the past two decades. The report says, that *"the world's richest 500 individuals have a combined income greater than that of the poorest 416 million"* , and that the poorest 40 per cent of the world population account for 5 per cent of global income, compared to 54 per cent by the richest 10 per cent, almost all of whom live in developed countries (UNDP, 2005:4). Even within countries, growing wage inequality between skilled and unskilled workers, rising profit shares benefiting capital at the expense of labour, a growing rentier class following financial liberalization, and benefits of agricultural price liberalization which flow to traders rather than small producers have fuelled growing inequality. However, increasing concentration of wealth has not resulted in increased investment and growth in many countries. This is in part because many of the policies adopted have raised investment costs (UNCTAD, 1997; Khor, 2000:8). Moreover, globalization affects regions and localities within countries differently, benefiting some and marginalizing others. Just as countries may have to adjust their economic strategies to prioritise managing globalization over defending the national economy, so sub-national entities may also pursue strategies of international competition. As cross-border linkages between cities and localities increase, the 'nestedness' of scales of political and economic organization can no longer be taken for granted (Jessop, 1999a).

I.B. Political globalization

The notion that there is a transnational capitalist class or public-private coalition of global managers (McMichael, 1996) underlies the idea of political globalization. The need for rules to govern relations between governments has long been recognized. The debt crisis, acceptance of the need to deal with cross-border co-ordination (e.g., of satellite communications, exploration of the seabed, pollution control) and increasing recognition that trade and financial transactions cannot operate in an orderly way without a regulatory framework has led to the evolution of a new international regime in which the IFIs (the IMF and World Bank) and global and regional trade organizations (GATT/WTO and regional agreements) are dominant. The implications of global political decision making and the globalization of policy making are discussed in section II.

I.C. Cultural globalization

Economic globalization has, it is argued, been accompanied by the development of global culture. The extent to which this is merely a culture of consumerism, driven by TNCs in their search for markets and facilitated by the globalization and transnationalisation of the media, or has positive and non-market dimensions is contested.

Sklair (1994) stresses the transnational, cultural-ideological practices of consumerism (the practices, attitudes and values that encourage ever-expanding consumption of consumer goods and services) which accompany and assist economic globalization. Through the global diffusion of mass media, especially television, and more recently the internet, and their concentration in a few corporate hands, consumption expectations are encouraged and consumption patterns changed. In 1970 in developing countries, fewer than ten television sets were owned per 1,000 people, rising to 60/1,000 in 1993, their share of the world total rising from 5 per cent in 1965 to over 20 per cent in 1986 (Sklair, 1994:167; 1999:8). More remarkable progress, particularly in terms of telephone and internet access, has been recorded over the past 15 years. For instance, in 1990 in developing countries, there were 29 telephone landlines per 1,000 people. This number grew to 113/1,000 in 2003, while access to cellular phones, which hardly existed in 1990, rose to 134 per 1,000 persons in 2003. Similarly, internet access in the developing world had increased to 53/1,000 in 2003, although this was still less than half the global average of 120/1,000 (UNDP, 2005). There has, therefore, been convergence in spending habits and commoditization of aspects of culture (through the mass media and international tourism, which has also massively increased). However, there has not necessarily been cultural convergence, as local cultures have processed and interpreted international influences to suit their own circumstances and often local identities have asserted themselves (Simon, 1997; UNDP, 1999).

There has also been a globalization of debate and action with respect to other aspects of human life, especially human and political rights and environmental issues, and, associated with this, emerging global links between civil society organizations, especially NGOs, often in opposition to economic trends and global economic and political organization (Ferguson, 1998). Some of the more prominent of these global coalitions include the campaigns against the globalization of capitalism that have become a hallmark of meetings that bring together leaders of the capitalist world and

world trade talks. Using the tools of globalization such as the internet, groups from around the world that are opposed to capitalism mobilise against a phenomenon that simultaneously aids their actions. Perhaps of a different nature are the ‘Make Poverty History’ campaigns that have, in the recent past, been increasingly making audible the voices of those concerned about world poverty and piling pressure on leaders of the developed world to do more in fighting global poverty.

Associated with consumerism and cultural globalization is the discourse on globalism, in which processes of deepening economic integration are represented either as inevitable and beneficial or as a capitalist conspiracy with damaging effects. The discourse influences both evolving processes and responses to them. Closely related is development discourse, the rhetoric of the development agencies: democracy and human rights, good governance, gender equity, participation, empowerment and partnership. This discourse clearly serves symbolic and ideological functions at both international and national levels (Arnfred, 1998).

Following the wars in the Balkans in the 1990s, on-going conflict in Chechnya, the 2001 terror attack on New York, and the subsequent ‘war on terror’ spearheaded by the United States of America, involving military intervention and regime change in Afghanistan, there seems to be a vindication of Huntington’s thesis of the post-cold war ‘clash of civilizations’. In his thesis, Huntington (1996) suggested that, in the aftermath of the cold war, the main source of conflict in global politics would be cultural — a clash between the major civilizations of the world. He argued that the nation state will cease to be the main source of identity, being replaced by religious and cultural identities. While it is debatable whether this is already happening, the incidence of clashes between elements of Islam and parts of ‘western civilization’ is increasing. As Huntington (1996) argues, globalization has made the world smaller and intensified interactions between peoples of different civilizations, thereby increasing both civilization/religious consciousness and awareness of differences/commonalities between religions and cultures.

National or sub-national units clearly need to forge a revised role in the new global order, implying new functions, policy changes and reorganization. The discourse they employ to frame and legitimize their new roles may draw on the globalization and development discourses (Jessop, 1999b), but there is also a trend towards utilisation of the symbolic discourse of religion to legitimise particular approaches to law and development, especially in the context of Islamic states.

II. Trans-border flows, Africa and the global system

Economic and political globalization involves complex and inter-related processes and flows of goods, capital and people. In assessing the implications of globalization for Africa, these processes and flows need to be disaggregated and examined separately, insofar as this is possible. This section will be divided into two main parts. In the first, the main cross-border flows will be discussed: goods and services, capital and, more briefly, people. In the second, political globalization is analysed.

II.A. Trade

World trade expanded nearly 30-fold between 1960 and 1990 (Gerreffi, 1994) and grew at twice the rate of global GDP in the 1990s (World Bank, 2000). Important explanations are the transnationalisation of production (a third of world trade in the mid-1990s was within global production networks), trade liberalization and the growth of trade in services. However, Africa's share of total world trade is minimal and has, until recently, been declining (from a peak of around 6 per cent in 1980 to around 2 per cent in 2001 before a recent slight recovery to 2.2 per cent in 2004), as is its contribution to developing country trade (10.9 per cent in 1990, 6.4 per cent in 1995) (UNCTAD, 2005a; Nyang'oro, 1999:274). Despite the noted positive trend, Africa remains more vulnerable than any other region to a decline in global demand, which casts doubt on whether recent improvements are the beginning of a sustained recovery or just another temporary boom.

Although merchandise exports have increased as a proportion of global GDP since the 1970s, neither the proportion nor the rate of growth appear to be historically unprecedented over a longer time scale. The major qualitative change has been the share of manufactured goods in total exports (from 60.9 per cent in 1970 to 74.7 per cent in 1994) (Baker and others, 1998:7). This is even more pronounced with respect to developing countries where in 2004, 80 per cent of the exports were manufacturing goods compared to 20 years earlier, when 70 per cent of the exports were of primary products (UNCTAD, 2004). Most of this increase in manufacturing exports has come from Asia (China and the Asian NIEs), whose manufacturing exports rose from 23.5 per cent of the total in 1980 to 73.4 per cent in 1994 (Baker and others, 1998:8). In particular, the Asian NIEs' share of 'hi-tech' manufactured exports grew from 2 per cent in 1964 to 25 per cent in 1985 and their share of 'medium levels of technology' exports

from 16 per cent to 22 per cent over the same period (Gerreffi, 1994:213). Although the share of manufactures in total exports of Latin America increased from 14.7 per cent to 48.7 per cent and of Africa from 4.0 per cent to 17.8 per cent between 1980 and 1994 (Baker and others, 1998:8), Africa's contribution to world manufactured exports remained less than 1 per cent in 2004 (UNCTAD, 2005a). Similarly, Africa has not shared in the increased world trade in services. Sub-Saharan Africa accounted for 10.7 per cent of exports and 13.2 per cent of imports of commercial services in 1983, but only 2.1 per cent and 2.6 per cent respectively in 2000, although the value of low and middle income country trade in services had tripled (World Bank, 2000:269; WTO, 2004:41).

Non-fuel commodity prices fell by -0.7 per cent per annum overall between 1981 and 1990, but by -2.3 per cent for Africa, and terms of trade by -3.8 per cent per annum between 1991 and 1998 for developing countries as a whole and -3.6 per cent per annum for Africa (IMF, 1999a:199, 201). In the 1990s, although the collapse of many agreements protecting primary commodity exporters in the 1980s resulted in greater vulnerability to price volatility (Khor, 2000), the decline in non-fuel commodity prices and terms of trade deterioration both slowed to under 1 per cent per annum and Africa's terms of trade marginally improved between 1989 and 1996. Indeed, Africa's terms of trade have further improved since the mid-1990s, by about 30 per cent between 1999 and 2004 (UNCTAD, 2005a). This has been mainly attributed to the rise in demand from rapidly growing South East Asian economies for certain primary products (UNCTAD, 2005b). Nevertheless, such exports remain vulnerable to commodity price fluctuations, for example, a decline of 31 per cent in the price of copper led to an equivalent fall in Zambia's export earnings (UNDP, 1999:42).

The continent continues to rely on the same commodities as it did 30 years or more ago. In 1965, 93 per cent of Sub-Saharan Africa's merchandise exports were primary commodities. By 2005 this was virtually unchanged, although the range of commodities from which export earnings were derived had widened: 91 per cent of export earnings were still from primary products, although fuels, metals and minerals accounted for two thirds of this compared with one quarter in 1965 (Commission for Africa, 2005). Africa's marginal position was not, as often implied by some international institutions, for want of effort — export volumes from Sub-Saharan Africa grew at 6.1 per cent per annum between 1965 and 1980 and 0.2 per cent per annum even in the 1980s (World Bank, 1992), and from

Africa as a whole by 1.9 per cent per annum between 1971 and 1993 (IMF, 1993:70). Rather it resulted from weakening developed country demand for primary products over that period. Recent improvements in demand for the continent's major export products (particularly mining products) have been influential in the pick-up of the region's GDP growth (estimated at 4.6 per cent in 2003), increased export values and growth of imports (UNCTAD, 2005b).

However, though important, reliance on commodity exports and declining terms of trade are not sufficient to explain Africa's poor growth performance in the 1970s and 1980s — low producer prices, lack of government support and over-priced currencies hindered production and export of agricultural products, policy support to resource-based industrialization was weak or badly designed and protection for ISI reduced efficiency (Fieldhouse, 1999). Recent initiatives by the United States of America and the European Union to offer poor countries non-reciprocal preferential trade arrangements have not yet yielded significant returns. The United States of America's 'African Growth and Opportunity Act' (AGOA) and the European Union's 'Everything But Arms' (EBA) programmes provide opportunities to many low-income countries to export a wide range of commodities to the United States of America and the European Union markets respectively. While AGOA is restricted to a select number of countries from Sub-Saharan Africa, EBA is an extension of the Lomé/ Cotonou agreement to low-income countries that were not initially part of the arrangement. EBA also covers a wider range of commodities than AGOA, which is limited to designated agricultural commodities; petroleum products; minerals and manufacturing; and apparel and footwear. EBA grants duty-free access for imports from most poor countries except for a few sensitive commodities (bananas, sugar, and rice), which are expected to be liberalized by 2009. While the two programmes have not had any huge impact, particularly with respect to Sub-Saharan Africa countries, some export increases have been recorded. For instance, the share of exports under AGOA in total exports to the United States of America for AGOA countries was 28 per cent in 2001 and increased to 35 per cent by 2002, although most of the gain was because of a 20 per cent decline in aggregate exports of the countries concerned (Wainio and others, 2005:31). Worse still, the main countries eligible for the AGOA program (Nigeria, Gabon and South Africa) are relatively wealthy. Supply constraints are a key element limiting the participation of eligible countries in both preference programmes. For example, under AGOA, only 7 countries (Kenya,

Lesotho, Madagascar, Malawi, Mauritius, South Africa and Swaziland) have demonstrated strong export growth in apparel, and of these countries, only South Africa and Mauritius have a long history of apparel exports. Institutional factors and standards/conformity regulations also limit the participation of eligible countries in nonreciprocal trade preference programmes.

Imports to Sub-Saharan African countries were, inevitably, dominated by manufactured goods in 1965 (76 per cent), much as imports of low and middle income countries as a whole were (66 per cent), and this continues to be the case, at least in the case of Africa. Despite Africa's position as an exporter of agricultural products, food still constituted 16 per cent of imports in 1992. Exports grew at a faster rate (6.1 per cent per annum) than imports (5.6 per cent per annum) between 1965 and 1980, but during the 1980s, while exports continued to grow slowly, imports fell by 4.3 per cent per annum (World Bank, 1992). The slow growth of export earnings resulted in reduced capacity to import. This in turn resulted in under-utilization of manufacturing capacity and constraints on economic growth and diversification throughout the later 1970s and 1980s (IMF, 1993). As indicated above, the continent's terms of trade have improved since the late 1990s, meaning higher export earnings and enhanced capacity to import (UNCTAD, 2005b).

A distinction has to be drawn, however, between exporters and importers of oil, who were affected in different ways by the oil price increases of 1973-1974, 1978-1979 and 2000-2006; and falling prices in 1998. In addition to the North African oil exporters, Nigeria in particular benefited from increased oil prices and its economy grew by 7.0 per cent between 1965 and 1975. However, oil revenue was not put to productive use and its GDP fell by 2.5 per cent per annum between 1975 and 1986, reflecting the end of the oil-based boom (Nafziger, 1990). Governance improvements and expansion of the oil sector since the mid 1990s has resulted in renewed GDP growth, estimated at 6 per cent in 2004 (IMF, 2005:11).

Liberalization of trade forms part of the standard package of stabilization/structural adjustment measures (see below) and, although reduction of trade barriers has been less rapid than financial liberalization, it has had dramatic effects on African countries. In theory, trade liberalization helps to increase trade flows, contributing to and reinforcing output growth. The IMF noted a positive and increased association between growth and

Table 1. Ratio of exports of goods and services to GDP

Low and middle income countries	1990-1994	1995-1998
High growth countries (top quintile)	52.8	59.0
Medium growth countries	30.6	32.8
Low growth countries (bottom quintile)	34.7	34.0

Source: IMF, 1999b:144.

economic openness in the 1990s (see Table 1). Trade liberalization, it is argued, results in the reallocation of resources to activities in which countries can compete in export markets, increases foreign exchange earnings, and facilitates the import of technology, capital equipment and intermediate inputs. This and international competition encourage increased productivity, changes in the organization of production and innovation (World Bank, 2000). In practice, trade liberalization in countries which are unready or are facing unfavourable conditions leads to a vicious cycle of increasing trade and balance of payments deficits, financial instability, debt and recession. It does not automatically lead to growth and diversification because countries may not have the infrastructure, human and enterprise capital to develop new exports; conditionality reduces their ability to control the rate of import liberalization; and access to export markets continues, despite GATT and other agreements, to be constrained by many tariff and non-tariff barriers (UNCTAD, 1999; Khor, 2000). For example, Sub-Saharan Africa countries on average pay freight charges on their exports 20 per cent higher than those paid by exporters in East Asia and delays and inefficiency add to these costs (World Bank, 2000:190).

Although African governments did, until the 1980s, operate a variety of trade controls, especially to protect infant industries and government revenue sources, their economies remained as open as in colonial times and more open than the world average or than Asian countries as a whole. Ironically, despite their integration into the global economy,

> *"... Africa's exports are still mainly in primary commodities, and foreign direct investment is concentrated in mineral extraction — so the region's apparent integration is actually a vulnerability to the whims of the primary commodity markets"* (UNDP, 1999:31).

II.B. Capital flows

There has been a great expansion of international lending and an explosion of trading in stock, bonds, foreign exchange and derivatives since the demise of the Bretton Woods institutions in the early 1970s and the emergence of deregulated financial markets (Baker and others, 1998). Private capital (portfolio investment, bank loans, speculative funds) will be discussed first, followed by FDI and official development assistance (ODA).

II.B.1. Private capital

Flows of private capital have increased enormously since the early 1990s, encouraged by financial liberalization, the development of electronic communications, the development of new financial institutions and investments, and increased volumes of funds fed by pension and mutual funds in developed countries. Much of the movement of this capital is short term, and most of the trade in foreign exchange is speculative, giving rise to concerns about the volatility of the world financial system and the vulnerability of national economies to short term capital flows and speculative runs on currencies. The Asian financial crisis of 1997/1998 demonstrated the risks and the IMF policies imposed during the bailout (monetary and fiscal tightening and high interest rates while maintaining capital mobility) made the crisis worse (Khor, 2000). By the end of the 1990s, many commentators were recommending that capital account liberalization should be more gradual and orderly and banking systems properly regulated (World Bank, 2000), that countries should be allowed the option of capital controls and managed exchange rates, and that a tax on speculative currency transactions be introduced (the Tobin tax) (Khor, 2000).

Africa has had little access to international financial markets. Sub-Saharan Africa captured only 3 per cent of net private capital flows to all low and middle income countries in 1990 and 2.2 per cent in 1997 (World Bank, 2000:271). Over the past 10 years (1994-2004) this share has risen by less than a percentage point (UNCTAD, 2004). In four of the years between 1991 and 1998 repayments of private bank loans exceeded new lending (a net outflow of US$3.1 billion overall) (IMF, 1999b:219). Portfolio investment was equal to only about 1 per cent of Sub-Saharan Africa's GDP in 1997/1998 (IMF, 1999b:50). Meanwhile, capital flight is a significant problem (equivalent to 40 per cent of outstanding debt for 18 countries and over 60 per cent for four — Nigeria 95 per cent, Rwanda 94 per cent, Kenya 74 per cent, and Sudan 61 per cent) (UNECA, 1999:7).

> *"While limited access to international financial capital markets has deprived most countries in Sub-Saharan Africa of many of the benefits of financial integration, it has also shielded them during periods of financial turbulence. The direct effects of the* [Asian] *financial crisis on most countries in sub-Saharan Africa* [were]*... relatively small"* (IMF, 1999a:21).

However, as noted above, the indirect effects of falls in commodity prices hit a number of countries hard.

II.B.2. Foreign direct investment

FDI is regarded as the most desirable of private capital flows because of its long-term nature and its association with technology transfer, packaged with equipment, management, marketing and other skills, and market linkages. Equity investment is only one type of FDI. Others include minority joint ventures, licensing, turnkey projects, management contracts, subcontracting and strategic alliances (Lall, 1997). World FDI has grown rapidly since the 1960s, and especially since the 1980s, at four times the growth of international trade since 1982. World FDI stock as a percentage of world output grew from 4.4 per cent in 1960 to 5.4 per cent in 1985 and 10.1 per cent in 1995 (Baker and others, 1998:9). Of all capital flows to developing countries in 2004, FDI continued to be the largest component, accounting for 51 per cent of all resource flows to the developing world (UNCTAD, 2005a).

Of outward FDI stock, 65 per cent in 1995 originated in five countries (United States of America, United Kingdom, Germany, Japan, and France), although a growing share of FDI originated in developing countries, especially Taiwan and the Republic of Korea — 15 per cent of the outflow in 1997 (Dunning, 1997:83; World Bank, 2000). In 2004, outward FDI from developing countries constituted 11 per cent of the global stock, 80 per cent of which came from Asia and Oceania (UNCTAD, 2005a). A large proportion of FDI flows are between industrialized countries but the proportion going to developing countries increased to 32 per cent on average between 1991 and 1995 from 17 per cent between 1981 and 1990 (Khor, 2000:4). In 2004, the share of developing country FDI inflows stood at 36 per cent, but 60 per cent of these remain concentrated in 5 economies (China, Hong Kong, Brazil, Mexico and Singapore), in that order (UNCTAD, 2005a). Strategic asset-seeking FDI (cross-border mergers and acquisitions) doubled in value between 1988 and 1995, accounting for 72 per cent of all FDI outflows (Dunning, 1997). IMF figures show that there

is a correlation between FDI and growth: it contributed 4.4 per cent of GDP between 1990 and 1994 and 7.8 per cent between 1995 and 1998 in the fast growth low and middle income countries, compared to only 1.2 per cent and 3.3 per cent respectively in the low growth countries (IMF, 1999b:144). However, cause and effect is likely to flow in both directions.

FDI occurs in all three production sectors, but the fastest growth has been in manufacturing, especially hi-tech industry, and services (50–55 per cent of all FDI in 1992) (Dunning, 1997). In the 1980s and 1990s services FDI, including business and financial services, trade, tourism and construction, grew to comprise two thirds of all annual flows of FDI and 60 per cent of stock worldwide by 2002 (World Bank, 2000; UNCTAD, 2004). Intermediate services are concentrated in developed countries, whereas FDI in services in developing countries is concentrated in trade and construction, although it has recently diversified into tourism and offshore banking.

Liberalization policies in the 1980s and 1990s encouraged the growth of FDI in two ways: liberalization of national capital accounts encouraged capital flows in general, as discussed above, and privatization of state owned enterprises (SOEs) provided opportunities for private capital — between 1989 and 1994, 6 per cent of FDI inflows were accounted for by privatization. The contribution of privatization has since slowed down, partly because few attractive corporations remain in public hands in some countries, but also as a result of the failure of earlier privatizations to realise the anticipated benefits, particularly in some Latin American countries.

The advantages of FDI have been re-emphasized since the 1980s, but analysis shows that it has disadvantages as well as advantages and that it is only likely to be attracted if certain conditions are fulfilled. It may have a deterrent effect on domestic savings, there may be a 'de-capitalization effect' (increasing outflows of profits over time) and increased imports of capital and intermediate goods and non-locally produced consumption goods may reduce its positive trade effect. Overall, therefore, it generally has a weak positive trade effect, but sometimes it has a negative effect and, like ISI, generally has an overall negative effect on the balance of payments. In addition, FDI may increase competition with local producers, hindering their growth and technological development; have a 'de-nationalization effect' if FDI increases more rapidly than domestic investment; lead to a loss of control over strategic sectors (infrastructure and natural resources); and give rise to environmental costs. Moreover investors may reinvest profits in financial rather than physical assets and borrow locally to export capital (Ghazali, 1996 in Khor, 2000).

In order to realise the potential benefits of FDI therefore, it is necessary that governments have the powers to regulate entry and operation, to ensure that it (Khor, 2000; Chang, 1998):

- Does not detract from domestic savings.
- Minimizes factor cost payments overseas, by encouraging the use of local rather than imported inputs and encouraging reinvestment of profits.
- Encourages or requires joint ventures.
- Is concentrated in tradeables, especially exports.
- Increases local content over time.
- Adheres to local regulations with respect to labour and environmental standards.

The most successful NIEs have utilized FDI to varying extents and have invariably been selective and strategic in the volume and type of FDI they have encouraged.

Deregulation is, therefore, not vital and even if it has been implemented, FDI will not be attracted unless a number of preconditions are satisfied, of which the treatment of foreign investors, including protection of their investments, is only one. The preconditions include (Katseli, 1997; Lall, 1997; Crotty and others, 1998; Khor, 2000; World Bank, 2000):

(a) Size and growth of the domestic market, especially for market-seeking FDI.

(b) Good quality infrastructure for transport and communications, energy, water, etc.

(c) Good quality labour, often with skills. Although some FDI occurs in search of labour at rock bottom prices, and much is seeking labour which is cheaper than in its country of origin, the labour requirements still include a level of skills and discipline which is not found in every developing country, especially in countries with a very low level of industrialization. Increasingly also, FDI in hi-tech industries and services requires highly skilled labour. Significant investment in human capital (especially education and training) is, therefore, needed to attract FDI.

(d) Political and social stability.

(e) A stable economic and investment policy regime, including liberal trade policies (which does not imply abandonment of attempts to balance the responsibilities of investors with their rights or to strengthen regulation).

(f) A credible legal system.

(g) Natural resources, for primary sector FDI.

Many of the above imply good quality governance. Investors are concerned less with the cost of labour than with the total cost of doing business — productivity lowered due to poor transport and telecommunications, high distribution costs, lack of labour training, inadequate availability of business services and poor quality of public administration reduce absolute levels of efficiency and deter investment. In the past, many countries have attempted to attract FDI by making concessions (tax incentives, subsidies, etc.). This seems to be regarded today as inappropriate — it is considered that improving conditions for business in general not only is more effective than inducements but also encourages domestic investment (World Bank, 2000).

Africa's share of world FDI is small and has declined steadily since the 1960s and 1970s, from about 6 per cent of total inward FDI stock in the mid-1970s to 2–3 per cent in 2004 (UNCTAD, 2005a). In the 1990s, although the total flows of FDI to low and middle income countries increased nearly 7-fold in nominal terms between 1990 and 1997, Africa's share remained minimal, at just over 3 per cent (World Bank, 2000:271). Inflows of FDI contributed only 1.7 per cent of GDP in 1998 in Sub-Saharan Africa (compared to 3.7 per cent in China), portfolio investment 1.1 per cent and external commercial borrowing 0.9 per cent (IMF, 1999b:50). In per capita terms, FDI inflows to Africa rose from US$8 in 1995 to US$20 in 2004, but this represented half of the per capita inflows to China, which stood at US$46 in 2004 (UNCTAD, 2005a). Nationalization and the effect of policies to restrict entry lessened TNC interest even in oil and mining in Africa in the 1970s and 1980s (IMF, 1995; UNCTC, 1991). Nevertheless, by the early 1980s half the total stock of FDI was still in the extractive sectors, compared with about 20 per cent in non-African developing countries, and almost 40 per cent of foreign owned primary commodity enterprises, concentrated in oil extraction, and the mining of copper, iron, bauxite and uranium, were in Africa.

To the extent that FDI occurred in manufacturing (about a quarter of the stock in Africa by the beginning of the 1980s compared with half in

Asia and over half in Latin America), it has been in import substitution and resource processing in the larger more developed economies (Cantwell, 1991). Recent growth in FDI in services in Africa has also been concentrated in a few countries (Egypt, Morocco, Nigeria, South Africa) and in the areas of trade and construction. However, a high proportion of the tiny but growing Japanese investment is in trade and financial services (UNCTC, 1989). There has also been a recent increase in FDI flows into services such as tourism, telecommunications, banking and finance, and transport (UNCTAD, 2005a). Although Africa has shared in the increased flows of investment in services, as with manufacturing, its position is marginal (World Bank, 2005).

Most FDI in Africa originates in the former colonial powers, although for them it is now unimportant compared to FDI in other parts of the world. Of the four largest source countries, only the United Kingdom and France have significant investment in Africa and investment from the United Kingdom is limited and confined to oil exploitation. Nigeria is the largest Sub-Saharan African host country, attracting 25 per cent of all FDI inflows and accounting for 21 per cent of the stock in 1994. In 2004, the five largest recipients of FDI were all oil producing countries (Sudan, Angola, Equatorial Guinea, Egypt and Nigeria), accounting for almost half of the total inflows into Africa (UNCTAD, 2005a). With the exception of Egypt, whose FDI flows benefited from liberalization and privatization in a range of industries such as cement, tourism and telecommunications, most FDI investment in these other countries is in resource exploitation (especially oil). Sudan, has, for instance, emerged as one of the top FDI recipients following recent huge investments in its petroleum industry by Chinese, Indian and Malaysian companies. In Nigeria, like most other oil-producing African countries, industrial restructuring via trade-related linkages is absent, as is any attempt to reinvest export earnings to diversify the country's productive base and create the absolute advantages necessary to lure FDI into manufacturing, despite the large domestic market.

Intra-African FDI flows have increased in the recent past, doubling in 2004 on the previous year's levels (UNCTAD, 2004). Much is through cross-border mergers and acquisitions, particularly in mining (63.5 per cent), but also manufacturing (24.9 per cent) and services (11.6 per cent) (UNCTAD, 2005a). In 2004, Algeria, Egypt, South Africa and Nigeria together accounted for 81 per cent of FDI flows from Africa and over half the rise in 2004 was contributed by South Africa alone.

Overall, Cockroft (1992) concluded that FDI had a negative effect on the balance of payments in the 1970s and 1980s: outflows of dividends, royalties, management fees, etc., exceeded inflows of new investment and were financed from commodity exports, while investment in manufacturing was generally import substituting and absorbed rather than earned foreign exchange. The problem in the 1980s and 1990s was that neo-liberal policies produced stagnant demand, as well as inadequate public investment in infrastructure and human capital, the very things that attract FDI. African countries have liberalized and attempted to bid for FDI but have failed to attract much new investment. When it has occurred, it has tended, because the firms are operating in a competitive global market, to exert downward pressures on wages, taxes and working conditions (Crotty and others, 1998). "Assembly transplanting" and "component outsourcing" investment, in particular, need good infrastructure, skilled labour and a relatively risk free environment, and global FDI is increasingly concentrated in these more demanding sectors (Katseli, 1997). Furthermore, "services-related" FDI, requiring market size and thickness, is not attracted by the thin markets for business-related services in developing countries. Instead it seeks investment opportunities in which monopoly profits are possible, such as transport, telecommunications and construction (Katseli, 1997). The IMF acknowledges that, even when the smaller resource poor African countries offered substantial incentives and imposed few restrictions, they were unsuccessful in attracting investment (IMF, 1985:4). Thus between 1976 and 1986 significant net inflows occurred to only half a dozen countries and most experienced net disinvestment (Cantwell, 1991).

Given their lack of success to date in attracting manufacturing and services-related FDI (except perhaps in a few North African countries and South Africa), it is suggested that African countries should concentrate on developing regional trade agreements to increase the size of markets, installing adequate infrastructure, diversifying resource-based investment in countries rich in natural resources, encouraging investment in resource-based simple manufacturing and attracting basic operational technology transfers (Lall, 1997; Thomsen, 1997; Cantwell, 1997).

The importance of FDI should not be exaggerated. On average, over 95 per cent of investment in any developing country is financed from domestic savings (IMF, 1993) and economic development has been held back in Africa not only by the limited flows of FDI but also by capital flight and low levels of domestic savings and investment. The latter has consistently fallen, from about 27 per cent of GDP between 1971 and 1975, and 30

per cent between 1975 and 1981, to 21-22 per cent in the 1980s and early 1990s, and a recent average of about 16 per cent (Chang, 2003 quoted in the Commission for Africa, 2005).

External and internal shocks, a general deterioration in the terms of trade for many of Africa's most important products and economic mismanagement have led to a continued need for foreign exchange which has not been satisfied by earnings from exports or private capital flows. As a result, Africa continues to depend on ODA to fill the resource gap.

II.B.3. Official development assistance

By the end of the 1980s Africa was the largest recipient region of ODA, accounting for 43 per cent of all bi- and multi-lateral aid by 1990 (12 per cent to north Africa and 30 per cent to Sub-Saharan Africa) (Simon, 1995). Aid receipts as a percentage of GNP were 2 per cent of GNP between 1970 and 1984, rose to 6 per cent between 1985 and 1994 (US$40 per capita in 1990), but fell to 4.5 per cent between 1995 and 1998 ($26 per capita in 1997) (IMF, 1999a:148; World Bank, 2000:271). By that time Africa was more heavily indebted and more dependent on official aid than other parts of the developing world, and thus had to devote a quarter of its export earnings to debt servicing (IMF, 1999a). Despite widespread high levels of aid dependency, the recipients of the largest volume of aid per capita were not the poorest countries. In 2005, excluding Nigeria and South Africa, official aid to Sub-Saharan Africa was estimated at 3.2 per cent of GDP, although some countries, such as Uganda and Ethiopia, received aid to the tune of 6 per cent of GDP in 2004 and it was projected that eleven countries in the region would receive aid in excess of 7 per cent of GDP in 2005 (IMF, 2005). The share of concessional debt rose from 28 per cent at the beginning of the 1980s to 37 per cent in the late 1990s. Of net ODA between 1991 and 1998 just over half was grants and the remainder loans.

The multilateral agencies supplied just under a third of ODA to Africa in the 1980s (IMF, 1999a:219). However, it should be noted that, whereas credits from the IMF were positive in the early 1980s, they were negative later in the decade and also in 1997 and 1998 (Bird, 1993; ODI, 1993; IMF, 1999a:219). Following a dip in the level of aid received in the 1990s, there has been a modest rise since the 2002 Monterrey Conference on Financing for Development that recommended increased ODA. After falling by 7 per cent per year in the late 1990s, aid flows to Sub-Saharan Africa recorded a 14 per cent rise in real terms in the first three years of the new millennium

(IMF, 2005). Much of the increase in aid is in the form of debt forgiveness, through HIPC. After a slow start (only two of 26 potentially eligible countries had benefited by 1999), debt relief accounted for 17 per cent of the total aid flow to the region between 2000 and 2003. According to the IMF (2005:8),

> *"in 2003,* [Sub-Saharan Africa] *was the largest regional recipient of foreign assistance, with per capita ODA equalling $30 in constant 2002 prices, compared with an average per capita allocation of about $12 for developing countries as a whole".*

Since the International Conference on Financing for Development in Monterrey, Mexico in March 2002, there have been several other initiatives to increase both the quantity of aid flows to Africa and the efficiency of their use, for example, the pledge by G8 countries, in July 2005, to double ODA to Africa, raising it to US$50 billion per year by 2020, as recommended by the Commission for Africa and the United Nations Millennium Project.

II.C. International migration

"Along with goods and services, people are crossing borders in record numbers" (World Bank, 2000:37). Although international migrants constitute only 2.3 per cent of the world population, this means that an estimated 130–145 million people live legally outside their own countries, up from 104 million in 1985 and 84 million in 1975 (UNDP, 1999:32). These flows include skilled and unskilled workers, and refugees from political conflicts or environmental disasters. To the figures must be added illegal migrants.

International migration has grown in recent years despite tight restrictions. Outward and return migration are both selective and have a mixture of costs and benefits for migrants' countries of origin. Barriers to unskilled migrants have increased in recent years, so much of the continued outward migration from Africa is of skilled people. Although remittances (which exceed ODA in volume) may offset the costs of the brain drain to some extent, the northern/global markets for skilled labour and the unrewarding home environment mean that more than a quarter of a million African professionals were working in the United States of America and European Union in 1998 (UNDP, 1999:31), and that 30,000 Africans with PhDs live abroad. In 2000 there were 14 Sub-Saharan African countries with more

than 15 per cent of their skilled workers living/working in OECD countries, including Somalia (59 per cent), Ghana (43 per cent), Mozambique (42 per cent), Sierra Leone (41 per cent), Nigeria (36 per cent) and Madagascar (36 per cent) (UNECA, 2005). The Commission for Africa (2005:117), quoting the Africa Capacity Building Foundation, suggests that Africa loses an average of 20,000 skilled personnel every year to developed countries.

The emphasis in the past has been on attempts to prevent migration or to encourage migrants to return, in the hope that return migrants bring with them capital, skills and technological know-how. Increasingly, however, based on recognition of the importance of the Chinese diaspora in China's recent development, it is being suggested that the African diaspora is an unexploited resource which could be drawn on more systematically than at present. Diasporas, it is argued, may serve as channels for flows of market intelligence, capital and skills. However, they do not perform these functions while economies are inwardly oriented, prone to over-regulation and subject to arbitrary state intervention. With economic reform and liberalization, it is suggested, the climate is now right for governments to make some effort to draw on this resource (World Bank, 2000).

Other major components of trans-border flows of people include international business travel, which is closely related to economic integration, the activities of multinationals, and diplomatic activity, as well as international tourism. Both are facilitated by good communications, implying a network of air routes and high quality airports and accommodation. Only for a limited number of countries in Africa — such as Egypt, Kenya and South Africa — are both types of travel significant, although on a smaller scale international tourism is important for some other countries, such as Tanzania and Gambia. Tourism is particularly vulnerable to political instability and economic recession. In addition, there is controversy over its economic benefits and cultural impacts.

II.D. Political globalization and Africa

Two aspects of political globalization will be discussed here: the vulnerability to policy conditionality of African countries, due to their reliance on aid, which will be discussed first. Secondly, some aspects of global governance will be discussed: policies which traditionally were under the jurisdiction of national governments but are increasingly subject to international agreements and the influence of international institutions.

II.D.1. Globalization of policy making

The influential Berg report in the early 1990s diagnosed Africa's problem as excessive state interference in the operation of markets. Commonly termed the 'Washington consensus', a standard model of economic reform was adopted throughout most of the world, including Africa, often under duress. African countries have been particularly vulnerable to policy conditions, both by the multilateral agencies and, in their wake, by the bilateral donors (see also Rakodi, 1997).

IMF stabilization packages aim to reduce trade deficits (especially the volume of imports) by cutting aggregate demand, by means of fiscal and monetary austerity and exchange rate adjustment. Generally, several contractionary policies are imposed simultaneously or in rapid succession, often generating recession. The trade gap is reduced, but only sometimes does inflation follow and the policies rarely lead to renewed economic growth (Pieper and Taylor, 1998).

World Bank adjustment packages are aimed at raising GDP growth by improving the allocative efficiency of the price system. Trade is liberalized, to increase exports. However, this is far from an automatic outcome, first, because there are supply-side constraints and second, because of the fallacy of composition. To encourage inward investment, barriers to external flows are reduced. However, as we have seen, liberalization by itself is insufficient to attract private capital. To encourage savings, positive real interest rates are introduced, and to equalise the returns to different financial assets, financial markets are deregulated. The liberalization of both capital accounts and financial markets has often proved to be *"an explosive mix"* (Pieper and Taylor, 1998). To help reduce real wages, which is intended to lead to more employment and thus increased production, labour markets are deregulated and taxes 'rationalized' (generally reduced). In addition, SOEs are privatized, on the assumption (not borne out by the evidence, Pieper and Taylor suggest) that the private sector is more efficient. These reforms are all supposed to increase transparency and reduce corruption and rent seeking, but in fact, often both corruption and rent seeking increase (Pieper and Taylor, 1998).

Reforms have often been prescribed with little detailed knowledge of the country concerned or consultation with its government, which was too desperate for the loan to argue over conditions. The result has been slippage on implementation of conditions and varied but often limited effects (Fieldhouse, 1999). Mosley, Harrigan and Toye's (1995) evaluation demon-

strated that, in the 1980s and early 1990s, when the prescribed policies were implemented, they generally improved export growth and the external account balance, but nearly always had a negative effect on aggregate investment. They concluded that the influence of structural adjustment policies on economic growth, financial flows and distribution of wealth had been neutral overall, but that particular groups had suffered income cuts due to pressure to increase producer prices for agricultural goods, cut food and other subsidies, and make prices more competitive. The conditions imposed, they suggested, were more appropriate for middle income countries with some industry, farmers who had access to credit, agricultural inputs and transport, and private entrepreneurs with sufficient capital to run privatized SOEs better than governments, i.e. excluding most African countries. However, the Asian financial crisis subsequently threw some doubt on the applicability of the standard package, even in middle income countries.

In Africa by the end of the 1980s, thirty African countries had adopted structural adjustment policies, many implementing a succession of programmes, and even those that had not implemented a Bank-approved package had been heavily influenced by the policy regime. An analysis of 24 countries that initiated adjustment programmes in the 1980s showed that (Jesperson, 1992):

(a) Capital accumulation slowed in 20 of the countries owing to low rates of investment.

(b) The share of manufacturing in GDP increased in only six of the countries — in the remainder it declined or stagnated.

(c) Export volumes increased in only 11 countries, although even in these the impact on the balance of payments was negligible because of declining commodity prices.

> *"SAPs have also had uneven impacts on economic groups within countries. It was hoped, for example, that increased producer prices and reduced food and services subsidies would benefit rural populations, especially small farmers, redressing the perceived anti-agriculture and anti-rural bias in government policy. In practice, these impacts have been more complex than anticipated by the multilateral agencies and in many cases strongly negative, despite half-hearted compensatory measures and lip-service paid to integrating anti-poverty measures into SAPs"* (Rakodi, 1997:50).

Pieper and Taylor (1998) suggested that gainers included households in the top 10–20 per cent of the income distribution, who could afford to purchase consumer goods that were more easily available because of the liberalized trade regime, the local economic technocracy and financial speculators. Net losers included the remainder of the population and some industries. Future lending, they suggested, should be subject to much less conditionality, should concentrate on assisting primary production exporters to diversify, and should be for programmes prepared by developing countries themselves. The new generation of lending packages have been linked to poverty reduction programmes prepared by countries themselves, but instead of Pieper and Taylor's suggestion of an independent arbiter if there are policy disagreements between the IFI and the country concerned, the former has a veto.

The preparation of a Poverty Reduction Strategy Paper (PRSP), which started as a pre-condition for debt relief under the enhanced HIPC programme in 1999, has now become central to the provision of development assistance. Indeed, most poor countries have now prepared PRSPs, not only to guide their poverty reduction efforts, but also to act as the overarching country level policy document and guiding framework for development assistance. The adoption of PRSPs resulted in the IMF's decision to change its framework for assisting low-income countries with concessional lending from the Emergency Structural Adjustment Facility (ESAF) to the Poverty Reduction and Growth Facility (PRGF). In a similar move, the World Bank has developed Poverty Reduction Support Credit (PRSC) to support PRSP implementation. PRSPs also provided a rationale for a new form of aid disbursement referred to as general budget support, marking a shift from linking ODA to specific project activities to Budget Support, whereby aid is channelled directly to partner governments using their own allocation, procurement and accounting systems. General budget support, as opposed to sector budget support, is not earmarked to a particular sector or set of activities within the government budget, although this does not mean that the recipient country has a free hand on how to use the funds provided.

A recent aspect of policy conditionality has been the association of economic reform with political liberalization, including adoption of multi-party democracy. However, neither the relationships between types of political system and economic policies nor processes of democratization are well understood.

Globalization of policy making has, it is often argued, reduced state sovereignty in Africa. Nyang'oro (1999:180) agrees that this has happened

and that the process has been *"spearheaded by the multilateral financial institutions"*. However, he also contends that not only have African states never had a great deal of sovereignty, it is being as seriously eroded *"...by internal forces which continue to challenge the legitimacy of the state itself"* (p.181) as by global forces. Weaker states, Krasner (1999) notes, have always been vulnerable to external interference and their ability to control activities across their boundaries is variable and subject to international influence. This is particularly true of Africa. Although African states made a bad job of the economic tasks they took over at independence, in the absence of a domestic bourgeoisie there was no alternative to state action to develop infrastructure and manufacturing. Withdrawing the state from many of these roles under IMF/World Bank pressure in the 1980s was probably premature, especially given its limited capacity to perform the new support and regulatory roles required.

Throughout Africa, the capacity of States to manage their economies and to react to global economic forces in a way that will realise the potential benefits is limited. Moreover *"... collapsed or collapsing states cannot really react to global economic forces because they lack the minimum wherewithal to do so"* (Nyang'oro, 1999:277; see also Gray, 1998). In Sub-Saharan Africa in the late 1990s, Nyang'oro (1999) argues, 12 States had collapsed or were collapsing, 12 were in transition but the political order was unstable and their legitimacy was still in question, and only 14 were relatively stable. Collapse means that the basic functions of the state are no longer performed — laws are not made, order is not preserved and social cohesion is not enhanced. The state loses legitimacy as a symbol of identity and meaning, and loses the right to command and to conduct social affairs, while people stop making demands of it because they do not expect it to have the capacity to respond. African states have the trappings of international sovereignty, which may indeed be undermined by globalization. However, threats to national security are more serious, and it is these that need to be tackled for states to become effective players, ensure equity, social inclusion, respect for human rights and security, and all aspects of human development that cannot be secured by the market (Nyang'oro, 1999; UNDP, 1999). While a recent survey by UNECA (2005:i) of 28 African countries noted that significant strides have been made on these internal governance issues, it was concluded that *"much more has be to achieved before we can say that the capable state is the norm in Africa"*. There have been improvements on the democratization front, but severe weaknesses remain, particularly with respect to public sector management.

II.D.2. Global governance of trade and finance

The GATT Uruguay Round and its successor, the World Trade Organization, have an increasingly prominent role in regulating trading relations at a global level. The World Bank argues that the system benefits developing countries by facilitating trade reform (including regional agreements), providing a mechanism for settling trade disputes (which can be used by developing countries to ensure agreements to reduce barriers to their exports are implemented), reinforcing the credibility of trade liberalization, and promoting transparent trade regimes. It suggests that these benefits explain the increased proportion of developing countries which have joined the WTO (World Bank, 2000). Most commentators agree that some form of global regulation of trade is needed. However, they criticise the current arrangements for their bias against developing countries, both in terms of representation and negotiating capacity and within particular agreements, proposed agreements (e.g., the Multilateral Agreement on Investment) or absent agreements (e.g., the lack of mechanism for fair sharing of debt burdens, failure to renew price stabilization mechanisms for primary products) (Khor, 2000). Debates over the structure and operation of the WTO and its remit continue, especially whether or not it is desirable for the latter to extend to regulation of investment.

II.E. Cultural globalization and Africa's connectivity

Empirical evidence of cultural globalization is beyond the scope of this paper and the discussion will be confined to a few indicators of telecommunications development and penetration by the international media. These are important, not only as channels for cultural globalization, but also for business communications. Perhaps the most significant of the global mass media to date is television. In Africa access to television has increased, but in 1997 there were still only 4.4 television sets per 100 people compared to 19.4 in low and middle income countries as a whole (World Bank, 2000:267). As noted above, television advertising is regarded as the main means by which global markets for consumer goods are developed. To some, this is a business opportunity, to others it represents the hegemony of TNCs and their ideology of consumerism that is advanced through unfair competition with local producers.

Basic access to telecommunications for business is suggested to be one telephone per 100 people (UNIDO, 1999). A quarter of all countries, many in Sub-Saharan Africa, have not achieved this — in 2004 the average was 3 telephone land lines for every 100 people (although there are over 20

countries with less than 1 line per 100 people) compared with 6.5 in low and middle income countries as a whole (World Bank, 2000:267; ITU, 2004). IMF figures show a growth from 21 telephone lines per employee in Sub-Saharan Africa in 1980-1984 to 62 in 1995-1997 but from being more poorly provided in 1980-1984 (11 lines per employee), Asia had overtaken Africa by the mid-1990s (81 lines/employee). The growth rate of telephone installation increased in the mid-1990s compared to 1990-1997 as a whole, but only to 12 per cent per annum between 1995 and 1997 in Sub-Saharan Africa compared to 29 per cent per annum in Asia (IMF, 1999a:148).

The reduced real cost and increased availability of mobile cellular phones has given Africa a chance to short-circuit the technological cycle and overcome the lack of investment in land lines, although the region still lags behind many other regions of the world: there were more mobile phones in Thailand alone at the end of the 1990s than in the whole of Africa (UNDP, 1999) and 54 cellular phones/1,000 people in Sub-Saharan Africa compared to 134/1,000 in developing countries as a whole in 2005 (World Bank, 2005:265). Africa has, however, recorded the highest growth rate since the beginning of the new millennium (close to 60 per cent per year), raising the total number of cellular phone subscribers continent-wide at the end of 2004 to 76 million, although the majority of these are in South Africa and Nigeria (ITU, 2004).

With respect to access to computers, and the subsequent access that this gives to the internet, Africa is not as far behind the rest of the world as it is with respect to television sets and telephones. There were 7.2 PCs/1,000 people in Sub-Saharan Africa in 1997 compared to 12.8 elsewhere, and 2.39 internet hosts/10,000 people compared to 30.8 in low and middle income countries as a whole (World Bank, 2000:267). In 2004, fewer than 3 out of every 100 Africans used the internet, compared with an average of 1 out of every 2 inhabitants of the G8 countries (Canada, France, Germany, Italy, Japan, Russia, the United Kingdom and the United States of America). Indeed, the entire African continent — home to over 50 countries — has fewer internet users than France alone, and there are still around 30 African countries with an internet penetration of less than 1 per cent (ITU, 2004). Availability is, therefore, very limited, and it is also constrained by low levels of literacy and the predominance of English (especially on the internet).

Because of the potential of telecommunications for business use and human capital development, but its high cost, many governments have been turning to private sector investors. Competition does seem to increase

availability and reduce relative costs. However, resistance to private sector involvement is still widespread for both economic and political reasons. State telecommunications monopolies offered both rent seeking opportunities and control over the content of the mass media. Governments lack adequate capacity to ensure and regulate private sector competition, and may also fear the perceived potential of increased international contact for strengthening civil society and undermining cultural and/or religious norms. An alternative to privatization may, as suggested in the Human Development Report (UNDP, 1999), be a tax on information sent through the internet to provide resources to reduce inequalities in access.

II.F. Globalization and structural adjustment: Economic growth and development in Africa

It is probably impossible to disentangle the impacts of economic and political globalization and stabilization/structural adjustment on economic development. Without attempting to attribute causality, therefore, the overall economic performance of the continent will be briefly explored in this section.

Overall in Sub-Saharan Africa only 12 countries (representing less than a fifth of the region's population) recorded positive rates of per capita GDP growth in the 1980s. Per capita GDP fell in the remaining 21 countries, including many that had achieved growth in the previous fifteen years. Even including the more buoyant economies of North Africa, IMF figures show that, whereas real GDP was positive between 1973 and 1992, per capita real GDP was stagnant or negative in seven of the eight years between 1983 and 1990 (Bird, 1993). Overall, real GDP for Africa (excluding Libya and Egypt) grew at about 2.2 per cent per annum between 1981 and 1994 (-0.8 per cent per annum per capita). However, the overall rate of economic growth improved between 1995 and 1998 (3.9 per cent per annum, 1.5 per cent per annum per capita), helped by good weather and, according to the IMF, structural reforms, reduced government spending and the devaluation of the CFA franc in 1994 (IMF, 1999a:175, 1999b). Nevertheless, the average real per capita income in 1998 had still only recovered to 1970 levels (IMF, 1999a:136). As a result of improved macro-economic policies, and improved commodity and oil prices, the continent's average per capita growth rates have continued to rise in the new millennium, reaching 4.6 per cent in 2004 (the highest in a decade) (UNECA, 2005:25).

This conceals considerable unevenness. Generally the oil exporting countries have grown most rapidly, although some of those growing rapidly in the new millennium are recovering from economic crisis, often associated with armed conflict (e.g., Chad, Liberia, Angola). Out of 47 countries, the nine fastest growing achieved an average real growth of 3.1 per cent per annum per capita between 1970 and 1998, while the nine slowest growing declined at -2.0 per cent per annum, mainly because of instability and conflict (IMF, 1999a:136). By 1998 the 33 least developed countries had also increased their rates of economic growth (and only two, the Comoros and the Democratic Republic of Congo, were experiencing negative GDP growth), but in 2004 only six countries grew by the 7 per cent or more which is estimated to be necessary to reduce poverty (UNECA, 2005). The six African countries that recorded growth rates greater than 7 per cent in 2004 were Chad (39.4 per cent), Equatorial Guinea (18.3 per cent), Liberia (15 per cent), Ethiopia (11.6 per cent), Angola (11.5 per cent) and Mozambique (8.3 per cent), while only two countries recorded negative growth (Zimbabwe: -6.8 per cent; and Seychelles: -2.0 per cent) (UNECA, 2005:35). Moreover, 51 per cent of the population of Sub-Saharan Africa as a whole lived below the poverty line (defined as US$34 per capita/month, 44 per cent in Africa as a whole) (UNECA, 1999:6).

Value added in agriculture in Sub-Saharan Africa grew little faster in the 1990s (2.6 per cent per annum between 1990 and 1998) than in the 1980s (2.5 per cent per annum 1980-1990), despite the economic reforms. The sector contributed 17–18 per cent to GDP in both 1980 and 1998. The rate of increase of value added in industry (manufacturing, construction, electricity, gas and water supply) was even slower (0.9 per cent per annum in the 1980s and 1.2 per cent per annum in the 1990s) and its contribution to GDP fell from 39 per cent in 1980 to 34 per cent in 1998. However, the contribution of manufacturing to GDP rose from 16 per cent to 19 per cent over the same period, demonstrating some signs of manufacturing recovery after widespread de-industrialization in the 1980s. Most of this manufacturing growth was confined to a limited number of countries (e.g., Côte D'Ivoire, Senegal, Lesotho and Namibia), which do not include some of the early rapid adjusters (e.g., Ghana). In addition, in some countries manufacturing's contribution to GDP fell (e.g., Kenya, Nigeria, Zimbabwe and Zambia). The slow rate of growth in industry, therefore, reflected slow growth in manufacturing, but an even worse picture in construction and utilities. Finally, value added in services (the fastest growing sector in most

of the world) not only grew less rapidly in the 1990s than in the 1980s (2.1 per cent and 2.4 per cent per annum) but also grew more slowly than in agriculture throughout the period (World Bank, 2000:250–253). In fewer than half of African countries did the services value added (as a percentage of GDP) increase between 1990 and 2000 (UN-HABITAT, 2003).

III. Implications of globalization for Africa's cities

Economic, political and cultural globalization impacts on African cities through three inter-related channels — the economy and labour markets, people's lives, and approaches to governance and management. Globalization leads to changes in towns and cities, but external influences interact with a great variety of local economic, political and social circumstances to produce different outcomes, and these in turn help to shape the global forces.

III.A. The implications of globalization for urban economies

The emerging global system of production, markets, finance, services and telecommunications is articulated through a global hierarchy of cities. The impacts of globalization may, therefore, be analysed in terms of the roles cities play in this global hierarchy and their links to other cities in the same or other regions. Additionally, the economic impacts of globalization influence the development path of urban centres, producing changes in their labour markets, economic structure and income distribution and in turn influencing rates of population growth.

At the apex of the global hierarchy of cities sit a network of 'world cities', the command and control centres of the world capitalist system. These cities are sites of TNC headquarters, specialised business services and nodes in the world banking and communication system. Generally considered to include New York, London, Tokyo (and sometimes Paris), none of these cities are in developing countries.

Second to these cities are regional or continental cities, which perform similar functions to global cities within the world capitalist system, but within a more restricted geographical region. Many of these cities and their regional networks are within the Triad regions (Europe, North America and East/South East Asia). Developing country cities of most obvious regional significance are those in the NIEs, which are increasingly integrated into functional networks of economic linkages with global or core cities. TNC

headquarters functions and research and development activities continue to be located in Tokyo, but investment has also occurred in a network of cities in East and South East Asia. Intra-regional trade and flows of private capital are, therefore, layered below global flows between Asian countries and cities and the United States of America or Europe. Patterns of trade and investment in Asia are becoming increasingly complex as TNCs based in Seoul or Taipei (10 of the Global Fortune 500 in 1999) invest or enter into alliances elsewhere in Asia and also as systems of cities linked across national borders (growth triangles and urban corridors) evolve based on economic and labour market complementarities. Similarly in North America, cities such as Miami and the Mexican and Brazilian mega-cities are increasingly taking on regional roles.

At the third level in the hierarchy are national cities, the locus of national accumulation, that also provide a location for TNC offices and operations, banks and corporate services, and thus are linked into the world economic system, if lacking any real influence on it.

To analyse the implications of globalization for urban centres and their roles in the global economy, it is necessary to first examine the extent to which urban centres function as channels and nodes for international trade; the in and outflows of private capital to their stock exchanges, property markets, industrial production systems and commercial enterprises; and in and outflows of international migrants. Data is not available for such analyses and so studies have traditionally adopted functional and nodal indicators. The former include the headquarters of TNCs, headquarters of the largest banks, the value and number of listed companies of major stock exchanges, and the size of advertising markets. Nodal importance is determined mainly by examining international traffic, especially air traffic, but also sea freight. Before analysing what data is available for African cities, the implications of the economic globalization trends examined in the first part of this paper will be discussed.

III.A.1. Globalization trends and urban economic development

Throughout the earlier discussion of economic globalization, Africa's marginalization from the contemporary dynamics of world trade and financial flows has been emphasized. Although most countries are relatively open, their mode of integration into the world economy has changed little from colonial days (Rogerson, 1997). Trade, private capital flows and FDI are concentrated in primary sector activities, especially

minerals and oil (also, but decreasingly, in large scale agriculture). Many of these activities are located in rural areas, although urban centres have also developed in mining areas, for example, in Zambia, Congo and South Africa. Even where resource-based manufacturing has developed, this may also be located in rural areas.

Urban centres based on mining and undiversified resource processing are vulnerable to changes in global markets, as well as to exhaustion of the deposits. Zambia's economy has been badly damaged since 1973/4 by oil price increases and falling world prices for copper and cobalt, as well as regional political instability and conflict and economic mismanagement. The economic decline has had major effects on the demand for labour in its mining towns, none of which has developed a diversified manufacturing base. Johannesburg, in contrast, has developed into a diversified metropolitan area, based on domestic and some covert international investment in manufacturing and services to compensate for the exhaustion of many gold deposits (Beavon, 1997).

Exports of agricultural products and minerals may be administered, processed and handled in towns and cities, especially ports, but their multiplier effects on the urban economy are limited if they do not give rise to processing industries or if the foreign exchange earned is insufficient to enable unrelated manufacturing industry to import capital and intermediate goods. Attempts at state-driven and (largely) state-owned industrialization in the 1960s and 1970s focussed on processing of raw materials to add value for export, as well as import substitution of basic wage goods such as processed food and beverages, luxury consumer goods and vehicles. Such industrial development generated urban wage employment directly and had significant multiplier effects in both the formal and informal sectors. However, the adverse effects of ISI on the balance of payments when it is highly protected and inefficient are well known. By the 1970s, the combined effects of declining terms of trade for primary products, industrial protection and inadequate agricultural support policies resulted in economic stagnation in many African countries. The boom in urban employment was eroded by foreign exchange shortages, fiscal deficits and the imposition of stabilization and structural adjustment policies following the worsening economic crisis of the 1980s.

However, as noted in section II.D, exchange rate adjustment and trade and financial liberalization were insufficient to increase export earnings from either primary products, because of declining terms of trade, or exports of manufactured goods. In practice, rapid trade liberalization did

encourage exporters, especially by allowing access to/retention of foreign exchange. However, it also opened domestic manufacturers, who had long been used to significant levels of protection, to international competition with very little time to adjust (Stein, 1992). Competition from imports of new and second hand clothes, for example, had a devastating effect on the textiles and clothing industries of countries like Ghana, Kenya and Zimbabwe. Although able to continue production of specialised high quality products, the almost overnight elimination of their domestic market gave African manufacturers no real window of opportunity to penetrate export markets for basic textiles or garments, an acknowledged first step for countries in the early stages of industrial development. While many of the import substitution industries, such as vehicle assembly, were undoubtedly unviable and a major drain on government revenue, the rapidity of trade liberalization gave even well established manufacturers in countries such as Zimbabwe little opportunity to adjust.

Simultaneous financial liberalization and devaluation resulted in interest rates which were not merely positive but so high that manufacturing investment was constrained (Stein, 1992). It was considered that formal sector wage levels were too high, because of the predominance of public sector employment and high levels of industrial protection, even though in many countries real non-agricultural wages had been declining since the early 1970s (e.g., Sierra Leone, Ghana, Malawi and Zambia) (Grilli and Zanalda, 1999). Liberalization of wages and employment conditions, along with reduction of public sector employment, formed part of the standard structural adjustment package. A reduction in real wages was considered necessary to reduce the non-farm/farm income gap and increased unemployment was expected. Both occurred: Grilli and Zanalda show that real non-agricultural wages fell in the 1980s in Sierra Leone and Malawi, also in Kenya and Zimbabwe, which had not fully implemented structural adjustment policies, and in Ghana until 1983, when they started to rise again (see also Rogerson, 1997). For the five Sub-Saharan Africa countries for which Grilli and Zanalda (1999) found data, the unweighted mean growth of employment was 2.3 per cent per annum between 1980 and 1990 (2.7 per cent if the three faster growing North African countries are included) or less than the rate of growth of the labour force. Although accurate figures are not available, since one of the victims of the 1980s crisis was labour market surveys, formal wage employment in most African urban centres fell in the 1980s because of civil service reform, closure or privatization of SOEs and labour shedding by manufacturing enterprises

hard hit by structural adjustment policies. The result, as elsewhere in the world, was a dramatic decline in the power of organized labour and the growth and diversification of informal sector employment.

It was expected that, as wages fell and the purchasing power of rural residents rose, private enterprises would increase production and employment, setting off a positive process of economic growth and employment creation in both cities and urban centres in rural areas. It was also hoped that foreign private capital would be attracted by liberalization, the sale of formerly SOEs and the formulation of more liberal and stable investment rules. However, as noted in section II.B.2, Africa has not succeeded in attracting a significant share of increasing FDI flows and the majority of both stock and flows is either devoted to exploitation of natural resources or is invested in relatively capital intensive manufacturing (Stein, 1992). South Africa is an exception: probably over half of FDI was invested in industries located in urban areas in the early 1990s, although high unemployment rates have been exacerbated by the need for industrial restructuring (Simon, 1997:81; Rogerson, 1997). Although there has been investment in commercial and retail property in some cities, especially in CBDs (e.g., Nairobi, Harare in the 1990s), most of this investment comes from domestic sources (financial institutions such as pension funds, insurance companies, banks; Asian capital in Kenya). Only in a few of the North and South African cities does much of this investment come from international sources, including remittances.

Furthermore, it is now recognized that deregulated labour markets do not guarantee competitiveness, attractiveness to investment or exports (World Bank, 2000; UNDP, 1999). Instead, to attract investment and increase productivity, investment is needed in skills, while minimum wages and basic employment rights also need to be maintained (UNDP, 1999). In Sub-Saharan Africa, the lack of large scale domestic capital, well developed financial markets and indigenous technological capacity in most countries, inadequate infrastructure, lack of a skilled workforce and instability has held back both domestic and foreign investment. As a result there has been insufficient expansion of labour demand in the formal sector to reduce urban unemployment, despite declining real wages (Rogerson, 1997; Grilli and Zanalda, 1999:31). Today, the formal sector continues to account for only 7 per cent of new non-agricultural jobs in Sub-Saharan Africa (UNECA, 2005:67).

As formal sector employment and real wages have shrunk, the informal sector has grown. Today in most urban centres the majority of the

urban workforce is engaged in a diverse range of small and micro-enterprises. As the informal sector has grown, the question of the extent to which it is merely a sponge for surplus labour or can contribute to economic growth and development has become more pressing (UNECA, 2005). There is much evidence of the sector's role in absorbing labour that the formal sector cannot absorb. There is also some evidence that the sector may be protected from the worst effects of recession and able to satisfy demand for modern sector goods transferred from the formal sector (Rogerson, 1997). Ranis and Stewart (1999) distinguish between 'modernising informal enterprises', which are relatively capital intensive, use semi-skilled labour and have some prospect of growth, and 'traditional enterprises', which are merely labour absorbing, employ few (unskilled) workers, and have low levels of capitalization, labour productivity and income. This distinction is borne out by a study of food, wood, metals and textiles small and micro-enterprises in Ghana and Kenya (Navaretti, 1999), in which clear distinctions in the source and recruitment methods of labour, methods of training, sources of finance, investment in capital equipment and product differentiation emerged between very small, medium and medium-large firms. Over and above the effects of policies, the smallest firms are trapped in a low-level equilibrium by their limited initial endowments of skills, technology and human capital, which result in low productivity and prevent them from accumulating knowledge and physical capital. Other than the markets dealt with by policy reforms (finance and labour), therefore, the growth of these firms is hindered by constraints in other factor markets. There tends to be an association between sector of operation and economic potential, with a disproportionate share of retail trade at the survivalist end of the continuum and manufacturing at the growth end. Further, just as in the formal sector, informal sector economic activities are highly gender differentiated, with women being disproportionately concentrated in survivalist enterprises (especially retail trade, but also prostitution). Furthermore, with decreased real incomes and increased competition in easy entry informal sector activities, the importance of self-provisioning activities (especially agriculture, in both urban and rural areas, but also scavenging and foraging) has increased (Rogerson, 1997; Potts, 1997; UN-HABITAT, 2003).

III.A.2. The role of African cities in the global urban hierarchy

Although Cairo, Nairobi and increasingly Johannesburg have regional roles in Africa, the continent is not even part of the semi-periphery and there is no evidence that the functional city systems linked across national borders

that have begun to emerge in Asia are present in Africa, except insofar as cities in the interior must use ports in other countries for trade (Rakodi, 1999). Most large African cities are centres of national economies, although they are connected to the world economy through the unequal trade, investment and aid relationships analysed above. By 1990 it was estimated that a third of Africa's population was urban compared with a quarter in 1975 (United Nations, 1993). In 1975 there were eight cities with populations of one million or more. In 2000 it was estimated that there were 35 in 26 countries, of which four had populations of five million plus (Cairo, Lagos, Kinshasa and Johannesburg and the Rand) (UN-HABITAT, 2003:267). More important than population size, however, is their role in hosting the institutions which embody and control economic, political and cultural globalization — TNC headquarters, stock exchanges, headquarters of international organizations — and their significance as nodes in global networks of connectivity, especially air travel.

As noted above, none of the largest TNCs (the Fortune 500) have their headquarters in Africa. Other indicators reinforce both the peripheral position of Africa as a whole (with the partial exception of Cairo, with its important roles in the Middle East and the Muslim world) and the differentiation emerging between cities with continental and global economic and political links (Johannesburg, Nairobi), those which play a mainly subregional role (Lagos, Mombasa) and those which are significant only as national capitals and ports.

There were 14 stock exchanges in Africa (ten in Sub-Saharan Africa) in 1994, mostly very small and trading almost exclusively in local stock. Johannesburg is the exception, illustrated by its market capitalization which, although still small by international standards, was more than 120 times that of the other main exchanges (Cairo, Harare, Nairobi) (Simon, 1997:82).

The presence of headquarters of international organizations is a good indication of the strength of a city's insertion into global networks of contacts, communication and leverage. Africa's cities are very poorly represented — in the mid-1990s there were secretariats of global membership organizations in Cairo, Nairobi and Lagos, but mostly African cities host the regional or continental secretariats of global bodies and the headquarters of African organizations (Simon, 1997:84–85).

Cairo, followed by Johannesburg, is the busiest airport, but the overwhelming majority of flights into and out of the former are international and it serves a wider range of destinations around the world (Simon, 1997).

Johannesburg has large flows but they are largely domestic and the rising volume of international flights is relatively recent. Lagos also, although a large airport, serves a largely domestic market and has surprisingly low numbers of international flights or passengers. Nairobi has a high proportion of international flights, its loss of stopovers on flights to southern Africa as the need for refuelling decreases being offset by its adoption as a hub by airlines such as KLM.

III.A.3. Urbanization trends and economic development

Urbanization is typically associated with rising per capita income, but this is not the case in Sub-Saharan Africa, where between 1970 and 1995 urbanization grew at 4.7 per cent per annum while real GDP per capita fell by 0.7 per cent per annum (World Bank, 2000:130). Although cities generate 55 per cent of GDP in low income countries, a much larger proportion than their share of population, in Africa the World Bank asserts that cities are not acting as engines of growth and structural transformation. The explanation generally advanced for rapid rural-urban migration and urban growth in the 1960s and 1970s is the urban bias in policy, based on a development model in which resources would be extracted from natural resource exploitation to support a process of infrastructure modernization, industrialization and human capital development. While this explanation is over-simplified, and there is no counter-factual available as a means of testing it, it contains an element of truth.

However, average long term rates of growth, whether urbanization trends or economic growth rates, conceal both shorter term changes and enormous variety within the continent. Given the low levels of urbanization, it is not surprising that urban growth rates have been high, especially in the early years after independence, in the least urbanised countries and in the principal (usually primate) cities. According to UNDP (1993), between 1960 and 1991 the countries with the fastest growing urban population were Botswana (13.5 per cent per annum), Swaziland (10.5 per cent) and Tanzania (10.3 per cent). Only four other countries (Lesotho, Libya, Mauritania and Mozambique) experienced urban growth of between eight and ten percent per annum. These seven countries were among the poorest in 1960 and four still are, but Swaziland, Libya and Botswana have all experienced rapid economic growth, Mauritania and Mozambique have suffered from periods of civil war, and there is considerable controversy over the reliability of Tanzania's figures (Simon, 1997; Potts, 1997). At the other end of the spectrum, countries with relatively high levels of urbaniza-

tion in 1960, including Egypt, Tunisia, South Africa, the Congo and Equatorial Guinea, experienced modest urban growth rates of 3–4 per cent annually (Simon, 1997).

Generally, rates of urban growth were highest in the immediate post-colonial period, coinciding with the boom years of the 1960s and early 1970s. They were already slowing down in many countries in the 1970s, following the immediate post-independence adjustment period. For this paper, the question is what has happened to urban growth rates since the 1980s as the debt crisis, economic recession and adjustment policies spread throughout the continent and renewed economic growth has been limited in its scale and prevalence. If the 1965-1980 period is distinguished from 1980-1990 (World Bank, 1992), for 19 of the 43 African countries included, urban growth was faster in the 1980s than in the previous period, whereas for 21 it was slower. For the remaining three it was virtually unchanged. The lowest growth rates were in North Africa and in other countries urban growth rates apparently remained faster than total population growth rates. Where urban growth rates slowed, this may be attributable to economic recession and the removal of what urban bias in prices and investment still remained. However, many rural areas continue to provide few economic opportunities for their growing populations, despite pro-agriculture policy changes. Although the deterioration in infrastructure and services that resulted from public expenditure cutbacks in the 1980s was countrywide, rural areas started in a disadvantaged position. The chance of a better life in cities, however much of a gamble, continued to attract migrants. However, the collapse of the formal economy in the 1980s or 1990s also gave rise to increased return migration, intensification of urban-rural links and movements, and an increase in the number of divided households in some countries. These complex movements are not revealed by census figures. Comparisons of rates of urban growth between primary and secondary urban centres further complicate the picture, as seen in the various analyses of Tanzania (Simon, 1997; Potts, 1997).

With renewed economic growth, in a few countries since the later 1980s and more generally (although far from universally) since the mid-1990s, declines which occurred in rates of urban growth in the 1980s have been reversed in many countries (e.g., Uganda). At the same time, rates of natural increase started to fall as a result of reduced fertility and increased death rates due to HIV/AIDS, malaria, etc., and so the long term decline in rates of urban growth is expected to continue. Thus it is estimated that for Africa as a whole the urban population growth rate will be 3.66 per cent

between 2000 and 2010 and 3.26 between 2010 and 2020, compared to 4.37 per cent per annum between 1975 and 2000 (UNCHS, 1996:440, 447; UN-HABITAT, 2003:252). Urban growth rates between 2000 and 2010 in some countries are expected to be well above this average, but these are predominantly countries emerging from conflict or still experiencing civil strife (e.g., Burundi (6.40 per cent), Eritrea (5.47 per cent), Liberia (6.00 per cent), Somalia (5.69 per cent), Uganda (5.87 per cent)) (UN-HABITAT, 2003:252), in which some of the apparent urban growth is a result of internal displacement, resulting in people seeking refuge in protected camps, often located in urban areas.

The intra-continental variations, differences between different sources, widespread use of extrapolation to compensate for missing data, and practical difficulties of collecting reliable data show how difficult it is to be precise about any economic, demographic or urban trends in Africa. A straightforward relationship between economic trends and urban growth, such as that asserted by the World Bank, is an oversimplification. In reality, relationships between urbanization rates and prevailing economic and social conditions are complex, and their outcomes neither entirely consistent nor always predictable (Simon, 1997).

III.B. The implications of globalization for people's lives

The overall impact of recession and structural adjustment on the living conditions of urban populations has been adverse, but trend data is scanty and disaggregated data even more so. In this section, the implications of economic changes will be discussed with reference to poverty and inequality, access to utilities, housing conditions and access to social services.

III.B.1. Poverty and inequality

> *"Although there had been real increases in formal sector wages for urban workers in many African countries in the 60s, there is some debate about how much benefit, in terms of disposable income for non-essential items, this means for workers… the rises in incomes in the 1960s were mainly necessary adjustments to make some allowance for urban workers' family consumption needs"* (Potts, 1997:450).

The increases did not necessarily result in improved standards of living, although in some instances they clearly did. Jamal and Weeks' analysis (1993) shows that reductions in real urban incomes often began in the

1970s, as economic conditions deteriorated. Thus the further declines in real incomes brought about by stabilization and structural adjustment policies in the 1980s and 1990s served to further impoverish the majority of urban households rather than reduce their privileged lifestyles. They also impoverished a relatively new middle class of junior public sector employees. Although it is notoriously difficult to calculate incomes from subsistence agricultural production or informal sector activity, Jamal and Weeks concluded that the rural-urban gap in household incomes in Sub-Saharan Africa had narrowed or reversed in the 1970s and 1980s.

More recent data are scarce: in 2000 the World Bank managed to assemble data for only 13 countries, with a few more being added in the World Development Report 2006 (World Bank, 2006), but data are still only available for two dates for twelve countries. The proportion of urban people living below the poverty line ranged, according to the most recent figures available in 2000, from 3.6 per cent in Tunisia to 63 per cent in Chad (see Table 2). Less than 20 per cent of the urban population were poor in the three North African countries, and in two of the three, the proportion declined in the late 1980s. In the Sub-Saharan African countries, only in Senegal were less than a fifth of the urban population poor, although there had been some improvements in Cameroon, Ghana and Mauritania.

The results of declining wage levels and increasing food prices included a deterioration in the quality of urban diets amongst the poor (including a reduced number of meals, and reduced consumption of protein and 'luxury' foods such as sugar and tea) only partly compensated for by increased own production (Potts, 1997). However, as discussed in section II, the impact of economic decline and structural adjustment policies has not been uniform across Africa, nor has it been even across the urban hierarchy within any one country. As a broad generalisation, it is the countries of tropical Sub-Saharan Africa that have experienced the most extreme falls in urban living standards, and in some of these drought and/or wars have been even more important than economic policies. Recession and adjustment seem to have had less drastic impoverishing effects on North and South African countries (with the exception of Zimbabwe, where governance problems have significantly impacted urban livelihoods since the late 1990s).

It is suggested that the effects of liberalization have been to increase inequalities, and although there is visual evidence of increased conspicuous consumption by the few and impoverishment of the majority in many African cities, data are lacking.

Table 2. Proportion of the urban population below the national poverty line

Country	Year(s)	Percentage below poverty line	Year(s)	Percentage below poverty line
Algeria	1988	7.3	1998	7.3
Cameroon	1984	44.4	2001	22.1
Chad	1995-1996	63.0	..	..
Ethiopia	1995-1996	33.3	1999-2000	37.0
Ghana	1992	26.7	1998-1999	18.6
Kenya	1992	29.3	1997	49.0
Lesotho	1993	27.8	..	..
Mauritania	1996	30.1	2000	25.4
Morocco	1984-1985	17.3	1998-1999	12.0
Niger	1989-1993	52.0	..	..
Nigeria	1985	31.7	1992-1993	30.4
Senegal	1991	16.4	..	..
Sierra Leone	1989	53.0	2003-2004	56.4
Tanzania	1991	31.2	2000-2001	29.5
Tunisia	1985	12.0	1995	3.6
Zambia	1991	46.0	1996	46.0

Source: World Bank, 2000:236–237; 2006:278.

III.B.2. Access to utilities

Unsurprisingly, the low-income countries and cities of Africa, especially Sub-Saharan Africa, have rarely been able to ensure that the provision of basic infrastructure and utilities has kept pace with population growth (UN-HABITAT, 2003). Attribution of this failure to mistaken central and local government policies, especially with respect to pricing, together with the inefficiencies of public sector operations, led to pressure during the course of economic reforms to commercialise and privatize aspects of infra-structure and service provision, especially public transport, water and

sewerage, solid waste management, electricity supply and telecommunications. There has been considerable resistance to both commercialization and privatization, and progress has been more rapid with respect to public transport and, more recently, telecommunications than other utilities.

By the 1980s the situation with respect to services was disastrous in most urban areas, exacerbated by shortages of foreign exchange which prevented the importation of equipment, spare parts, chemicals, etc. The wealthy and private enterprises have long circumvented the deficiencies in public provision by private arrangements, which add considerably to the operating costs of industry and commerce, constraining investment and expansion by local and foreign capital alike. The poor are forced to pay for provision of essential services by informal sector operators (water vendors, paratransit) or suffer the health consequences of the absence of services they regard as a less immediate priority, such as sanitation or solid waste collection. There is considerable evidence to show that middle-income and many poor people (although not the poorest) are willing to pay for appropriate services. However, this does not mean that poor households can pay the full costs of service provision without sacrificing other essential expenditure e.g., a nutritionally adequate diet.

There is evidence of efficiency gains from private sector provision (e.g., public transport in many countries, water in several cities in francophone Africa, solid waste collection, telecommunications). However, ensuring that private providers extend services to low income residents and informal sector enterprises depends on the ability of public agencies to draw up and enforce appropriate contracts. This may be difficult for both political and economic reasons (e.g., if the cost of imported inputs increases, threatening the overall profitability of a contract). Additionally, the agencies often lack the expertise and administrative capacity to carry out such indirect provider functions.

Again, data for the whole of Africa are limited and have comparability problems. During the 1980s, in a quarter of the 44 countries for which figures were available, access to water and sanitation declined (UNCHS, 1996:512–513). In 1996, data for 87 cities showed that 38 per cent of urban households had water connections (and 69 per cent access to potable water), 13 per cent had sewer connections, 42 per cent electricity connections and 12 per cent telephone connections (UNCHS, 1997). The situation has not improved much since then, as reflected in a recent *Global Report on Human Settlements*, which revealed that about 40 per cent of urban residents in Africa live in circumstances deemed to be life and health threatening (UN-

HABITAT, 2003). According to the report, 72 per cent of urban residents in Sub-Saharan Africa live in slums, totalling about 167 million people. In Sub-Saharan Africa only 48 per cent of urban households are said to have water connections, and the figure is as low as 19 per cent in informal settlements, where the majority live. The reasons for these low levels of provision vary between countries: war and mismanagement, leading to a breakdown of service delivery systems; a failure to keep pace with urban growth during recession/structural adjustment; or changes in definitions (e.g., of what is urban or standards of provision).

III.B.3. Access to housing

Failure of the formal mechanisms for the supply of serviced residential land and houses to keep pace with population growth resulted, in the 1960s and 1970s, in the majority of residents of African urban centres being accommodated in informal settlements with varying tenure arrangements. Increased urbanization posed multifaceted challenges to nascent post-colonial urban administrations, including growing demand for employment and shelter. Most African governments at the time interpreted the demand for urban housing by ever-growing urban populations *"more as a welfare and legitimate right of a newly liberated people than as part of a crucial national economic sector"* (Fekade, 2000:136). Consequently, most of them adopted a paternalistic approach, assuming responsibility for providing urban housing through mass public housing programmes, often accompanied by land nationalization (Malpezzi and Sa-Adu, 1996). Despite substantial commitment of resources and establishment of a plethora of state agencies to implement public housing programmes, limited success was achieved in terms of either satisfying demand or increasing equity (Fekade, 2000). Such programmes did not benefit those in real need of housing, the poor, and were unsustainable. They were, instead, used by post-colonial state leaders to create and sustain networks of regime support to compensate for their lack of legitimacy (Malpezzi and Sa-Adu, 1996; Payne, 2002).

To address issues of affordability, cost recovery and replicability, public housing programmes were gradually supplanted by the sites and services programmes of the 1970s and slum/area upgrading schemes of the 1970s/1980s (Pugh, 2000). Despite extensive involvement of a host of donor agencies, particularly the World Bank, and considerable expenditure, neither sites and services nor upgrading schemes have been able to meet the challenge of availing affordable land/housing, particularly to the poor, in appropriate locations (Pugh, 1990; Nientied and Van der Linden, 1985;

Turner, 1980). Sites and services and upgrading programmes remained at project level in most countries and achieved limited success with respect to cost recovery and replicability (Mabogunje, 1993). As a result of these failures and the deepening economic/political crisis, the notion of the developmental state came under serious challenge (Grindle, 1996), prompting, more or less, a paradigm shift in the 1980s/1990s, with most African governments adopting the World Bank's 'enablement' framework (Pugh, 2000). According to Pugh (2000:328), enablement is *"about the state creating the legal, institutional, economic, financial and social frameworks to enhance economic efficiency and social effectiveness in the development of housing sector"*. Within this framework, most African governments shed the role of 'provider' in favour of that of 'enabler', in which they aim to create a policy and regulatory environment that enables private actors to meet land and housing demands (World Bank, 2000; Fekade, 2000).

Even in the role of enabler, the performance of most African states and their agencies has been dismal. According to Grindle (1996), the neo-liberal policies adopted by states, such as restraining or halting public sector investment and reducing the size of national, regional and local bureaucracies, mean that they have become less frequently the providers of services and benefits and more often the enforcers of unpopular measures. Amidst such chronic state failure and diminished legitimacy, urban residents have, understandably, not waited for public land/housing provision but have, instead, opted for grass roots solutions to their land/ housing needs (Payne, 2002; Rakodi and Leduka, 2005). Indeed most households in the urban areas of the developing world live in informal or irregular settlements, established through non-statutory means (Fernandes and Varley, 1998; Yonder, 1998). In the cities of Africa, between 30 per cent and 70 per cent of the population lives in irregular settlements and up to 85 per cent of the new housing stock is produced in an extra-legal manner (Durand-Lasserve, 1997; UNCHS, 1996; McAuslan, 1998).

Thus in most urban centres, housing development is primarily in the hands of the private informal sector. In practice, most low cost housing is financed from personal savings and built by small and microenterprise artisans on the basis of labour only contracts supervised by the owner-occupier or small landlord. In some cities, such as Nairobi or Enugu, larger scale semi-legal construction of permanent dwellings (often apartments for rent to lower middle income households) has been significant in recent decades. This construction occurs in illegal subdivisions or in sites and

services schemes in which the original low income beneficiaries have been bought out. In North Africa, the investments of return migrants or remittances were an important source of finance, for example in Egypt, but elsewhere this seems to have been less important. In some cities, the continued predominance of rental accommodation, even where there are not severe constraints on land supply, demonstrates a continued preference for investing savings in urban residents' rural areas of origin. Again, comparable data is scarce but it is clear that the ability of states to regulate the subdivision of land and construction of housing or to provide services have continued to be limited, with the result that the majority of urban residents are accommodated in dwellings in illegal or semi-legal areas, often as tenants of one or two rooms.

III.B.4. Access to social services

These settlements are provided with no or limited utilities and social facilities, depending on their age, legal status, and eligibility for upgrading. Superimposed on the inadequate and uneven provision of social facilities, especially schools and clinics, has been the general impact of recession and structural adjustment policies on public sector provision. Pressure on public providers to increase cost recovery and toleration or encouragement of private provision, especially of health services, rarely accompanied by adequate exemption arrangements for the poor, has resulted in deteriorating access to education and health care. Although physical access to facilities is less of a problem in most urban centres than in rural areas, increased costs have reduced access by the poor, leading to reduced school enrolment, postponed medical treatment and increased use of self-medication in the first instance. Various forms of non-state provision have emerged in response to the deficiencies of public provision in various sectors, including education and health, and these are increasingly being supported, or at least tolerated, by governments in Africa and elsewhere in the developing world (Batley, 2004). These non-state providers include both formal, relatively high quality providers of services to those who can afford to opt out of, or supplement, the often poor quality public provision, and the more informal providers to whom the poor resort as a result of being unable to access public provision or more expensive formal privately provided services.

Insecurity is as important to poor urban residents as income poverty. They are vulnerable to shocks arising from insecure livelihoods, illegal tenure, their inability to afford adequate health care, and crime and violence. Political instability, recession and structural adjustment appear to

have increased insecurity for a large proportion of the continent's urban population. The diminished ability of state structures to ensure stability and networks of social support that are allegedly disintegrating as a result of exposure to external values exacerbate residents' insecurity (UN-HABITAT, 2003).

III.C. Globalization of policy making

Africa's aid dependence has brought with it policy conditions not merely for economic policies but also for spatial investment. Despite the switch of most aid to rural development in the 1970s and the 1980s, the World Bank and USAID were important funders of urban programmes. Lending in the 1970s concentrated on sites and services and upgrading of informal settlements. Recognition of the limitations of project-based lending in the early 1980s led to a shift in emphasis.

> *"Inadequate local revenue generation and the limited volume of mortgage funding that the public sector was able to make available were perceived to be major constraints on the larger scale provision of serviced plots. Attention was paid to local revenue generation from the mid-1980s.... A desire to tap into private sector funds for low-income housing, an ideological belief that private sector institutions would be more efficient in disbursing and recovering loans than public sector institutions, and an underlying desire to extend the reach of international and domestic large-scale capital led to a major focus on housing finance.... Attempts were made to create self-supporting financial intermediaries capable of making loans to low- and moderate-income households and to reduce and restructure housing subsidies (especially to eliminate subsidised interest rates)"* (Rakodi, 1997:57).

Africa's low levels of economic growth and financial sector development limited such lending, leading to a reduction in the proportion of World Bank and USAID urban sector lending flowing to the continent. In addition, the approach proved vulnerable to economic downturns.

Parallel with this attention to the housing sector was a recognition that most cities were so poorly serviced that they could not maintain their economic and administrative roles, leading to a revised World Bank policy agenda, which was issued in 1991 and emphasized improvements to urban productivity by remedying infrastructure deficiencies, 'rationalising' regu-

latory frameworks, strengthening local government and improving the financing of urban development; alleviating urban poverty; and protecting the urban environment. Under the joint World Bank/UNDP/UNCHS Urban Management Programme, the Municipal Development Programme for Africa and, more recently, the Cities Alliance, lending to strengthen municipal finance, infrastructure investment and management, and land management increased.

The current policy approaches to housing and urban development are, in many respects, to be welcomed. However, there are manifest contradictions between some of the policies the World Bank advocated in its urban policy documents in the 1990s (expenditure on public works for upgrading and maintenance of urban infrastructure, shielding public expenditure on basic welfare services) and the realities of structural adjustment, which involved reduced public expenditure, increased user charges, macro-economic policies which were not designed to minimise their poverty increasing effects, and inadequately funded and poorly directed poverty reduction programmes (Rakodi, 1997). Thus despite the more recent rhetoric around country ownership of PRSPs, globalization of policy making and aid dependence has reduced the sovereignty of national policy makers, without providing a basis for solving many of the trickiest problems of central-local financial and political relations, sustainable provision of urban services or meeting the needs of the poorest. While neo-liberal policies remain prominent, there is now renewed recognition of the role of the state, particularly the local state/municipal government, the need for pro-poor policies in service provision and the importance of addressing social exclusion.

To conclude, two aspects of the implications for urban policy of economic and political globalization as it is manifest in Africa will be briefly explored: urban economic development and infrastructure provision.

III.C.1. Economic globalization and urban economic development policy

Africa's general failure to attract FDI and the limited domestic investment in both manufacturing and services raise questions about the unfulfilled potential of cities in economic transformation and the scope for local action to address the problems. Recent research and experience also throws doubt on the past emphasis on large scale investments, by either multinationals or SOEs. Instead of producer-driven FDI, African countries, it is suggested, might be better advised to explore the potential of inter-firm alliances in buyer-driven commodity chains (Gerreffi, 1994). Instead of large scale and

maybe capital intensive manufacturing, they might be advised to concentrate on supporting clusters and networks of small firms (Rogerson, 1997; Humphrey and Schmitz, 1996; McCormick, 1999).

The main policy implications of African urban experience are the need, first, to create an environment conducive to enterprise (involving investment in infrastructure and human capital as well as development of an appropriate regulatory environment) and, second, to level the playing field between different sources of investment (foreign and indigenous), types of business (formal and informal) and alternative urban locations (to avoid beggar-my-neighbour competition between cities). What this means in practice is less clear. For example, technological upgrading is necessary to promote the growth of medium and large-medium manufacturing enterprises and growth oriented informal sector enterprises (Ranis and Stewart, 1999). However, this may lead to an increased gap between larger and smaller enterprises, with adverse employment consequences if the latter are pushed out of business. Thus the needs of the small enterprises cannot be neglected.

Increasingly in the new world order, regions and cities are developing their own strategies to attract and foster investment. Reservations about such policies include the danger that competition between urban centres will result in wasted resources and increased inequalities between the most favoured and least developed centres. Nevertheless, there does seem to be scope for urban authorities to develop local economic strategies based on public-private partnerships. Such joint action is needed, first, to develop an information base on the local economy (generally absent in African cities), second, to identify the centre's comparative advantage and then to develop proposals for local action that complement central government efforts. These are likely to focus on infrastructure provision, training, and developing an appropriate land and licensing regulatory framework. A marketing strategy also seems to be critical to attracting foreign investment (Short and Kim, 1999), although, as discussed above, attracting FDI is likely to be an uphill task for most African cities. A local strategy cannot be effective, however, if international forces or national policies, which are inevitably more powerful, are incompatible with it. Nor will it be politically sustainable unless the majority of an urban centre's population, including the poor, benefit from any economic growth generated, both directly and indirectly. To date, attempts to develop local economic development strategies have been largely confined to South Africa (Rogerson, 1997), where Rogerson (1999) found that local economic policy makers show little

awareness of how policies to increase the economic attractiveness of a town or city might specifically address poverty reduction.

III.C.2. Infrastructure deficiencies and international investment

The search for private sector participation to tackle infrastructure deficiencies, combined with liberalization of prices and capital markets, raises the possibility of drawing more on international sources for infrastructure investment. We have noted above that flows of private capital are unlikely to increase dramatically in volume and so cannot be relied on for the development of manufacturing. Might they be a source of capital and expertise for infrastructure improvement and house construction, either directly, via FDI, or indirectly, by providing capital for local authority borrowing or housing finance institutions (direct mortgage lenders or the secondary mortgage market)?

While there is potential for increasing the volume of funds and technology available, there are concerns that private investors in infrastructure provision will be unwilling to prioritise provision for the poor, that the technology and management methods they import will be inappropriate, and that capital flows will be short term and volatile. The Francophone West African experience, for example the well established SODECI joint venture between domestic and French investors for water supply, shows that there may be a role for FDI in urban infrastructure. However, it seems unlikely that inflows of FDI or other capital will increase dramatically. Thus continued dependence on domestic capital, ODA and national government funds seems likely, for financing local authority bonds or capitalizing municipal development funds, or for housing finance institutions.

The ability of central and local government agencies to effectively take on indirect provider roles if private sector investment does occur cannot be taken for granted and will need to be specifically developed, although the scope for appropriate regulation may be restricted by proposed new international agreements on trade and investment.

IV. Conclusion

To identify the impacts of globalization on urbanization and urban development with any certainty would a) require data which are not available for any country in Africa, let alone on a comparable basis for all countries or urban settlements, and b) imply a good understanding of

globalization, economic growth and development and the relationships between them; the relationship between economic development and urbanization; and the dynamics of land and housing markets and development processes. Neither is available. Much of the discussion in this paper has, therefore, been speculative.

Africa's continued unattractiveness to foreign capital (except for FDI in the primary production sector, especially oil and minerals) can be attributed to the high risks resulting from macroeconomic and political instability, inefficient institutions, weakly developed legal and financial systems, inadequate infrastructure and public services and badly designed economic policies. Not only have these factors deterred foreign investment, they have also constrained domestic investment, reduced the productivity of what investment there has been and led to a reliance on ODA, flows of which have fluctuated and the use of which has often been inefficient. For a variety of reasons, therefore, Africa has not been able to benefit from many of the opportunities offered by globalization and has been trapped instead by external shocks, international influences and domestic political economies in the restricted mode of economic integration inherited from its colonial past.

Although policy reform was needed in African countries by the 1970s, their increased dependence on external assistance in the 1980s made them susceptible to uniform policy prescriptions determined, despite apparent opportunities for negotiation, largely by outside agencies. The policy formulation hegemony of the colonial powers to which Africa was subjected in the first half of the 20th century seems to have been substituted by a new hegemony which no less clearly has the interests of transnational capital and northern countries at heart. Such hegemony, it is argued, is illustrated by the lack of influence of alternative agendas for reform, such as that of the UNECA (Rakodi, 1997). Even the common reference to PRSPs as 'home-grown' is, in many cases, a misnomer. Not only has their preparation often been a condition for debt relief by the IFIs, but also there is sometimes a tendency for self-censorship, to ensure that aid flows are not jeopardized. Dialogue between donor agencies and recipient governments has improved, but the former still wield the power to determine aid conditions or 'partnership' terms in the current favoured form of providing development aid, general budget support.

Prospects for renewed economic and human development rest, depending on the point of view of the observer, on economic and political reforms delivering their expected, albeit delayed, results. They also depend

on the assertion of local identities, alternative forms of political organization and channels for political allegiance, and alternative modes of economic organization which draw on a specifically African inheritance and African experiences, as well as on the reform of the global institutions of governance which have had such power to dictate policies ill-adapted to African circumstances. At present, the ability of urban settlements and their inhabitants to defend themselves against the adverse impacts of economic and political globalization, or to realise the potential beneficial effects of increased trans-border flows of capital and technology seems limited and for many in the informal settlements of large cities or urban centres in rural regions, the impact of the new forms of globalization seems remote indeed.

List of references

Arnfred, S., (1998), "From quest for civilization to war against poverty: observations regarding development discourse", in Marcussen, H.S. and Arnfred, S., (eds.), *Concepts and Metaphors: Ideologies, Narratives and Myths in Development Discourse*, Roskilde University, International Development Series, Occasional Papers No. 19, pp. 72–91.

Baker, D, Epstein, G. and Pollin, R., (1998), "Introduction", in Baker, D., Epstein, G. and Pollin, R., (eds.), *Globalization and Progressive Economic Policy*, Cambridge University Press, pp. 1–34.

Batley, R., (2004), "The politics of service delivery reform", *Development and Change*, vol. 35, No. 1, pp. 35–56.

Beavon, K.S.O., (1997), "Johannesburg: a city and metropolitan area in transformation", in Rakodi, C., (ed.), *The Urban Challenge in Africa: Growth and Management of its Large Cities*, United Nations University Press, Tokyo, pp. 150–191.

Bird, G., (1993), "Sisters in economic development: the Bretton Woods institutions and developing countries", *Journal of International Development*, vol. 5, No. 1, pp. 1–25.

Cantwell, J., (1991), "Foreign multinationals and industrial development in Africa", in Buckley, P.J. and Clegg, L.J., (eds.), *Multinational Enterprises in Less Developed Countries*, Macmillan, London.

———, (1997), "Globalization and development in Africa", in Dunning, J.H. and Hamdani, K.A., (eds.), *The New Globalism and Developing Countries*, United Nations University Press, Tokyo, pp. 155–179.

Chang, H-J., (1998), "Globalization, transnational corporations, and economic development: can the developing countries pursue strategic industrial policy

in a globalizing world economy?", in Baker, D., Epstein, G. and Pollin, R., (eds.), *Globalization and Progressive Economic Policy*, Cambridge University Press, pp. 97–113.

Cockroft, L., (1992), "The past record and future potential of foreign investment", in Stewart, F., Lall, S. and Wangwe, S., (eds.), *Alterantive Development Strategies in Sub-Saharan Africa*, Macmillan, London, pp. 336–367.

Commission for Africa, (2005), *Our Common Interest*, London.

Crotty, J., Epstein, G. and Kelly, P., (1998), "Multinational corporations in the neo-liberal regime", in Baker, D., Epstein, G. and Pollin, R., (eds.), *Globalization and Progressive Economic Policy*, Cambridge University Press, pp. 117–143.

Dunning, J.H., (1997), "The advent of alliance capitalism", in Dunning, J.H. and Hamdani, K.A., (eds.), *The New Globalism and Developing Countries*, United Nations University Press, Tokyo, pp. 12–50.

Durand-Lasserve, A., (1997), "Regularising Land Markets", *Habitat Debate*, vol. 3, No. 2.

Fekade, W., (2000), "Deficits of Formal Urban Land Management and Informal Responses under Rapid Urban Growth, An International Perspective, *Habitat International*, vol. 24, No. 2.

Ferguson, J., (1998), "Transnational topographies of power: beyond 'the state' and 'civil society; in the study of African politics", in Marcussen, H.S. and Arnfred, S., (eds.), *Concepts and Metaphors: Ideologies, Narratives and Myths in Development Discourse*, Roskilde University, International Development Series, Occasional Papers No. 19, pp. 45–71.

Fernandes, E. and Varley, A., (1998), "Law, the City and Citizenship in Developing Countries: An Introduction", In Fernandes, E. and Varley, A., (eds.) *Illegal Cities: Law and Urban Change in Developing Countries*, Zed, London, pp.3–17.

Fieldhouse, D.K., (1999), *The West and the Third World*, Blackwell, Oxford.

Gerreffi, G., (1994), "Capitalism, development and global commodity chains", in Sklair, L., (ed.), *Capitalism and Development*, Routledge, London, pp. 211–31.

Ghazali, bin Atan, (1996), *The Effect of DFI on Trade, Balance of Payments and Growth in Developing Countries*, Third World Network, Penang.

Gray, J., (1998), *False Dawn: The Delusions of Global Capitalism*, Granta Books, London.

Grilli, E. and Zanalda, G., (1999), "Growth and employment in developing countries: where do we stand?" in Navaretti, G.B., Faini, R. and Zanalda, G., (eds.), *Labour Markets, Poverty and Development*, Clarendon, Oxford, pp. 3–33.

Grindle, M., (1996), *Challenging the State: Crisis and Innovation in Latin America and Africa*, Cambridge University Press.

Humphrey, J. and Schmitz, H., (1996), "The Triple C approach to local industrial policy", *World Development*, vol. 24, No. 12, pp. 1859–1877.

Huntington, S., (1996), *The Clash of Civilizations and the Remaking of World Order*, Simon and Schuster, New York.

IMF (International Monetary Fund), (1985), *Foreign Private Investment in Developing Countries*, International Monetary Fund Occasional Paper 33, Washington, D.C.

———, (1993), *World Economic Outlook*, Washington, D.C.

———, (1995), *World Economic Outlook*, Washington, D.C.

———, (1999a), *World Economic Outlook, October*, Washington, D.C.

———, (1999b), *World Economic Outlook, May*, Washington, D.C.

———, (2005), *World Economic Outlook 2005: Globalisation and External Imbalances*, Washington, D.C.

ITU (International Telecommunication Union), (2004), *World Telecommunications Report 2003: Access for the Information Society*, Geneva.

Jamal, V. and Weeks, J., (1993), *Africa Misunderstood: Or Whatever Happened to the Rural-Urban Gap?* Macmillan, London.

Jesperson, E., (1992), "External shocks, adjustment policies and economic and social performance", in Cornia, G.A., Van Der Hoeven, R. and Mkandawire, T., (eds.), *Africa's Recovery in the 1990s: From Stagnation and Adjustment to Human Development*, St Martin's Press, New York, pp. 9–90.

Jessop, B, (1999a), "Some critical reflections on globalization and its illogic(s)", in Schmidt, J.D., (ed.), *Globalization, Regionalization and Social Change: Theoretical and Methodological Perspectives*, Development Research Series, Research Center on Development and International Relations, Occasional Papers No. 1, Aalborg, pp. 35–54.

———, (1999b), "Narrating the future of the national economy and the national state: remarks on re-mapping regulation and re-inventing governance", in Schmidt, J.D., (ed.), *Globalization, Regionalization and Social Change: Theoretical and Methodological Perspectives*, Development Research Series, Research Center on Development and International Relations, Occasional Papers No. 1, Aalborg, pp. 56–88.

Katseli, L.K., (1997), "Investment, trade and international competitiveness", in Dunning, J.H. and Hamdani, K.A., (eds.), *The New Globalism and Developing Countries*, United Nations University Press, Tokyo, pp. 181–213.

Khor, M., (2000), *Globalization and the South: Some Critical Issues*, United nations Conference on Trade and Development, DP No. 147, New York.

Krasner, S.D., (1999), “Globalization and sovereignty”, in Smith, D.A. and others, (eds.), *State and Sovereignty in the Global Economy*, Routledge, London, pp. 34–52.

Lall, S., (1997), “Investment, technology and international competitiveness”, in Dunning, J.H. and Hamdani, K.A., (eds.), *The New Globalism and Developing Countries*, United Nations University Press, Tokyo, pp. 232–259.

Mabogunje, A., (1993), *Perspectives on Urban Land management policies in Sub-Saharan Africa*, World Bank, Washington, D.C.

Malpezzi, S. and Sa-Adu, J., (1996), “What have African Housing Policies wrought?” *Real Estate Economics*, vol. 24, No. 2, pp. 133–160.

McAuslan, P., (1998), “Urbanisation, Law and Development: A Record of Research”, In Fernandes, E. and Varley, A., (eds.) *Illegal Cities: Law and Urban Change in Developing Countries*, Zed, London, pp. 18–51.

McCormick, D., (1999), “African enterprise clusters and industrialisation: theory and reality”, *World Development*, vol. 27, No. 9.

McMichael, P., (1996), *Development and Social Change: A Global Perspective*, Pine Forge Press, Thousand Oaks, California.

Mosley, P., Harrigan, J. and Toye, J., (1995), *Aid and Power: The World Bank and Policy-Based Lending*, Routledge, New York.

Nafziger, E.W., (1990), *The Economics of Developing Countries*, Prentice Hall, Englewood Cliffs, New Jersey.

Navaretti, G.B., (1999), “Promoting the strong or supporting the weak? Technological gaps and segmented labour markets in Sub-Sahara African industry”, in Navaretti, G.B., Faini, R. and Zanalda, G., (eds.), *Labour Markets, Poverty and Development*, Clarendon, Oxford, pp. 114–150.

Nientied, P. and Van der Linden, J., (1985), “Approaches to Low-income Housing in the Third World: Some Comments”, *International Journal of Urban and Regional Research*, vol. 9, 311–319.

Nyang’oro, J.E., (1999), “Hemmed in? the state in Africa and global liberalization”, in Smith, D.A. and others, (eds.), *State and Sovereignty in the Global Economy*, Routledge, London, pp. 270–83.

ODI (Overseas Development Institute), (1993), *Does the IMF Really Help Developing Countries?* Overseas Development Institute Briefing Paper, London.

Payne, G., (2002), “Introduction”, In Payne, G., (ed.) *Land, Rights and Innovation: Improving Tenure Security for the Urban Poor*, ITDG, London.

Pieper, U. and Taylor, L., (1998), “The revival of the liberal creed: the IMF, the World Bank, and inequality in a globalized economy”, in Baker, D., Epstein, G. and Pollin, R., (eds.), *Globalization and Progressive Economic Policy*, Cambridge University Press, pp. 37–63.

Potts, D., (1997), “Urban lives: adopting new strategies and adapting rural links”, in Rakodi, C., (ed.), *The Urban Challenge in Africa: Growth and Management of its Large Cities*, United Nations University Press, Tokyo, pp. 447–95

Pugh, C., (1990), *Housing and Urbanization: A Study of India*, Sage, New Delhi.

———, (2000), “Squatter settlements: their sustainability, architectural contributions and socio-economic roles”, *Cities*, vol. 17, No. 5, pp. 325–337.

Rakodi, C., (1997), “Global forces, urban change, and urban management in Africa”, in Rakodi, C., (ed.), *The Urban Challenge in Africa: Growth and Management of its Large Cities*, United Nations University Press, Tokyo, pp. 17–73.

———, (1999), “Managing large scale urban regions in Africa”, in Stein, C., (ed.), *Development and Urban Africa*, Proceedings of Seminar, March, Centre d’Estudis Africans, Barcelona.

——— and Leduka, C., (2005), Informal Land Delivery Processes and Access to Land for the Poor: A Comparative Study of Six African Cities, Birmingham: University of Birmingham, School of Public Policy, International Development Department, Informal Land Delivery Processes in African Cities, Policy Brief 6.

Ranis, G. and Stewart, F., (1999), “V-goods and the role of the urban informal sector in development”, in Navaretti, G.B., Faini, R. and Zanalda, G., (eds.), *Labour Markets, Poverty and Development*, Clarendon, Oxford, pp. 83–113.

Rogerson, C.M., (1997), “Globalization or informalization? African urban economies in the 1990s”, in Rakodi, C., (ed.), *The Urban Challenge in Africa: Growth and Management of its Large Cities*, United Nations University Press, Tokyo, pp. 337–370.

———, (1999), “Local economic development and urban poverty alleviation: the experience of post-Apartheid South Africa”, *Habitat International*, vol. 23, No. 4, pp. 511–534.

Short, J.R. and Kim, Y-H., (1999), *Globalization and the City*, Longman, Harlow.

Simon, D., (1995), “Debt, democracy and development: Sub-Saharan Africa in the 1990s”, in Simon, D., van Spengen, C, Dixon, A., and Narman, A., (eds.), *Structurally Adjusted Africa: Poverty, Debt and Basic Needs*, Pluto, London.

———, (1997), “Urbanization, globalization, and economic crisis in Africa”, in Rakodi, C., (ed.), *The Urban Challenge in Africa: Growth and Management of its Large Cities*, United Nations University Press, Tokyo, pp. 74–109.

Sklair, L., (1994), “Capitalism and development in global perspective”, in Sklair, L., (ed.), *Capitalism and Development*, Routledge, London, pp. 165–185.

———, (1999), “Competing conceptions of globalization”, in Schmidt, J.D., (ed.), *Globalization, Regionalization and Social Change: Theoretical and*

Methodological Perspectives, Development Research Series, Research Center on Development and International Relations, Occasional Papers No. 1, Aalborg, pp. 4–25.

Slater, D., (1998), “Globalization and questions of post-colonial theory”, in Marcussen, H.S. and Arnfred, S., (eds.), *Concepts and Metaphors: Ideologies, Narratives and Myths in Development Discourse*, Roskilde University, International Development Series, Occasional Papers No. 19, pp. 6–43.

Stein, H., (1992), “Deindustrialization, adjustment, the World Bank and the IMF in Africa”, *World Development*, vol. 20, No. 1, pp. 83–95.

Thomsen, S., (1997), “Attracting investment in an integrating world economy”, in Dunning, J.H. and Hamdani, K.A., (eds.), *The New Globalism and Developing Countries*, United Nations University Press, Tokyo, pp. 214–231.

Turner, J.C., (1980), *The Cities of the Poor*, Croom Helm, London.

UNCHS (United Nations Centre for Human Settlements), (1996), *An Urbanizing World: Global Report on Human Settlements 1996*, Oxford University Press, New York.

———, (1997), *Global Indicators Database,* Nairobi.

UNCTAD (United Nations Conference on Trade and Development), (1997), *Trade and Development Report, 1997*, New York.

———, (1999), *Trade and Development Report*, New York.

———, (2004), *World Investment Report 2004: The Shift Towards Services*, Geneva.

———, (2005a), *World Investment Report 2005: Transnational Corporations and the Internationalisation of R&D*, Geneva.

———, (2005b), *Trade and Development Report 2005: New Features of Global Interdependence*, Geneva.

UNCTC (United Nations Centre on Transnational Corporations), (1989), *Foreign Direct Investment and Transnational Corporations in Services*, New York.

———, (1991) *World Investment Report 1989: The Triad in Foreign Direct Investment*, New York.

UNDP (United Nations Development Programme), (1993), *Human Development Report 1993*, Oxford University Press, New York.

———, (1999), *Human Development Report 1999*, Oxford University Press, New York.

———, (2005), *Human Development Report 2005,* Oxford University Press, New York.

UNECA (United Nations Economic Commission for Africa), (1999), *Economic Report on Africa 1999: The Challenges of Poverty Reduction and Sustainability*, Addis Ababa. http://www.un.org/Depts/eca/divis/espd/ecrep99.htm.

———, (2005), *Economic Report on Africa 2005: Meeting the Challenges of Unemployment and Poverty in Africa*, Addis Ababa.

UNIDO (United Nations Industrial Development Organization), (1999), *African Industry 2000: The Challenge of Going Global*, Vienna.

United Nations, (1993), *World Urbanization Prospects: the 1992 Revision*, United Nations Department of Economic and Social Information and Policy Analysis, New York.

UN-HABITAT (United Nations Human Settlements Programme), (2003), *The Challenge of Slums: Global Report on Human Settlements 2003*, Earthscan, London.

Wainio, J., Shapouri, S., Trueblood, M. and Gibson, P., (2005), *Agricultural Trade Preferences and the Developing Countries*, Economic Research Report No. ERR6, Economic Research Service/USDA. http://www.ers.usda.gov/Publica tions/ERR6/.

World Bank, (1992), *World Development Report 1992: Development and the Environment*, Oxford University Press, New York.

———, (2000), *World Development Report 1999/2000*: *Entering the 21st Century*, Oxford University Press, New York.

———, (2005), *World Development Report 2005: A Better Investment Climate for Everyone,* Oxford University Press, New York.

———, (2006), *World Development Report 2006: Equity and Development*, Oxford University Press, New York.

WTO (World Trade Organization), (2004), *International Trade Statistics 2004*, Geneva.

Yonder, A., (1998), "Implications of double standards in housing policy: development of informal settlements in Istanbul, Turkey", in Fernandes, E. and Varley, A., (eds.), *Illegal Cities: Law and Urban Change in Developing Countries*, Zed, London, pp. 55–68.

Members of the HS-Net Advisory Board

(who are also the main referees of the Human Settlements Global Dialogue Series)
2004-2007

Prof. Richard Stren
HS-Net Chair
Centre of Urban and Community Studies, University of Toronto, Canada

Ms. Paula Jiron
HS-Net Vice Chair
Housing Institute, University of Chile, Santiago, Chile

Dr. Marisa Carmona
Department of Urbanism, Faculty of Architecture, Urbanism and Building Sciences, Delft University of Technology, the Netherlands

Dr. Nowarat Coowanitwong
School of Environment, Resources and Development, Asian Institute of Technology, Bangkok, Thailand

Prof. Suocheng Dong
Institute of Geographic Sciences and Natural Resources Research, Chinese Academy of Sciences, Beijing, Peoples Republic of China

Dr. Alain Durand-Lasserve
Sociétés en développement dans l'espace et dans le temps, Université Denis Diderot, Paris, France

Dr. József Hegedüs
Metropolitan Research Institute, Budapest, Hungary

Dr. Vinay D. Lall
Society for Development Studies, India Habitat Centre, New Delhi, India

Dr. José Luis Lezama de la Torre
Center for Demographic, Urban and Environmental Studies, Mexico City, Mexico

Prof. Om Prakash Mathur
National Institute of Public Finance and Policy, New Delhi, India

Dr. Winnie Mitullah
Institute of Development Studies, University of Nairobi, Kenya

Prof. Peter Newman
Institute for Sustainability and Technology Policy, Murdoch University, Australia

Prof. Peter Ngau
Department of Regional and Urban Planning, University of Nairobi, Kenya

Dr. Tumsifu Jonas Nnkya
Institute of Housing Studies and Building Research, University College of Lands & Architectural Studies, Dar es Salaam, United Republic of Tanzania

Prof. Carole Rakodi
International Development Department, School of Public Policy, University of Birmingham, United Kingdom

Mr. Gustavo Riofrio
Centro de Estudios y Promoción del Desarrollo (DESCO), Lima, Peru

Mr. Nelson Saule Junior POLIS - Institute of Social Policy, Sao Paulo, Brazil	**Prof. Mona Serageldin** Harvard University Graduate School of Design, Cambridge, United States of America
Dr. Dina K. Shehayeb Housing and Building National Research Center, Giza, Egypt	**Dr. Luidmila Ya Tkachenko** Research and Project Institute of Moscow City Master Plan, Russian Federation
Prof. Willem K.T. Van Vliet College of Architecture and Planning, University of Colorado, Boulder, United States of America	**Prof. Vladimer Vardosanidze** Institute of Architecture, Tbilisi, Georgia
Prof. Patrick Wakely Development Planning Unit, University College London, United Kingdom	**Dr. Mustapha Zubairu** Centre for Human Settlements and Urban Development, Dept. of Urban and Regional Planning, Federal University of Technology, Minna, Nigeria

HS-Net Secretariat

(Policy Analysis, Synthesis and Dialogue Branch,
Monitoring and Research Division, UN-HABITAT)

Naison Mutizwa-Mangiza Chief	**Ben C. Arimah** Human Settlements Officer
Inge Jensen Human Settlements Officer	**Edlam Abera Yemeru** Human Settlements Officer
Pamela W. Murage Secretary	**Naomi Mutiso-Kyalo** Secretary

The UN-HABITAT Lecture Award

The UN-HABITAT Lecture Award is an annual award organized by the Global Research Network on Human Settlements (HS-Net) to recognize outstanding and sustained contribution to research and thinking in the human settlements field. Upon selection, the Award winner will be invited to deliver a thought-provoking lecture during a session of the UN-HABITAT Governing Council or the World Urban Forum. The Award winner will also be presented with a commemorative plaque engraved with his/her name and a prize of $10,000.

The Award seeks to stimulate global dialogue on human settlements issues and capture and disseminate new thinking and trends in addressing the multi-faceted challenges of sustainable human settlements. Furthermore, the Award is designed to enhance the visibility of the Habitat Agenda and of human settlements issues in general. It also keeps UN-HABITAT up to date with current research and thinking on human settlements thereby enriching the content of the *Global Report on Human Settlements*.

The Lecture Award is open to any individual with an outstanding and sustained track record of research in the human settlements field, both urban and rural. The ideal candidate will:

(a) Have made a significant and original contribution to human settlements research, thinking and practice;
(b) Have a sustained record of research and publication in reputable refereed journals, or in the form of books and book chapters;
(c) Have a substantive reputation, evidenced by widespread peer recognition, either globally or regionally;
(d) Be engaged in innovative research on current human settlements issues; and
(e) Be a citizen or permanent resident of a country in the region designated for the Lecture Award for the relevant calendar year.

Institutions or individuals can nominate candidates for the award. Individuals may also nominate themselves. The HS-Net Advisory Board, composed of experienced researchers in the human settlements field, serves as the selection committee for the award.

The theme for the lecture may be related to the theme of an upcoming *Global Report on Human Settlements*, or it may be a topical issue, as determined by the Award winner in consultation with the HS-Net Advisory Board. The lecture is widely disseminated through various media, and a written copy of the lecture is posted at the HS-Net website.

For further information, and to nominate candidates,
visit the HS-Net website at http://www.unhabitat.org/hs-net

UN-HABITAT Lecture Award winners

Year	Award winner	Title of lecture
2006	John Friedmann	The wealth of cities: Towards an assets-based development of urbanizing regions

Visit the HS-Net website at
http://www.unhabitat.org/hs-net
to access a copy of the lecture.

Human Settlements Global Dialogue Series: Guidelines for contributors

The HS-Net Secretariat welcomes **submission** of manuscripts for consideration at any time. By submission of a manuscript, an author certifies that the work is original and is not being considered simultaneously by another publisher. It is expected that papers will reflect the wide spectrum of disciplines found within the human settlements field. The submission of papers from practitioners and scholars in the field who represent the policy community as well as the academic community is encouraged. Articles should be methodologically rigorous with either quantitative or qualitative sophistication as necessary. All contributions are refereed. Only those receiving favourable recommendation will be accepted for publication.

Manuscripts should be typed on one side of the paper, double spaced, with ample margins, and bear the title of the paper and name(s) of the author(s) on a separate sheet of paper. All pages should be numbered. Papers should normally be 15,000 to 20,000 words in length, and should be written in the English language. Only manuscripts submitted electronically (using MS Word) through the HS-Net website (at http://www.unhabitat.org/hs-net) will be accepted.

Manuscripts should contain a list of all **acronyms** and special terms used. Section headings should be numbered (e.g., I.A.1.a.i.). Do not **abbreviate** names of countries, geographical regions or areas. Reduce other abbreviations to a minimum. Use “per cent” instead of “%”, unless it is in a quote.

Tables, graphs, maps, diagrams, and other illustrations essential to the subject of the paper should be submitted (in black and white only — no colour illustration will be accepted) in a condition suitable for publication. Each of these should be numbered consecutively and referenced in the text. Footnotes should be used only for substantive observations and should be numbered consecutively. Endnotes should not be used.

References to books, articles and statistical sources should be identified at the appropriate point in the text by surname of author, year of publication and (where appropriate) page reference, as follows: “UN-HABITAT (2003:23)” or “ (UN-HABITAT, 2003:23-25)”. In cases where there are more than one reference to an author in the same year, distinguish them by use of letters (a,b,c) attached to the year of publication: (e.g., “2003a”). **Quotations** in the text should have double quotation marks. If a quote is more than three lines, it should be indented.

All references used in the text should be listed in full at the end of the paper as indicated below. All items should be alphabetically listed by author’s surname and initial, (providing the full list of multiple authors), date of publication, full title of book, publisher and place of publication. For journal articles provide author’s surname and initial, date, full title of article and of journal, volume, number and page reference. Titles of journals should not be abbreviated. URLs should be included when available.

Berner, E., (2002), “Learning from informal markets: innovative approaches to land and housing provision”, in Westendorff, D. and Eade, D., (eds.), *Development and cities: Essays from development in practice*, Oxfam, Oxford, pp. 226-247.

Payne, G., (1996), “Strategies for enabling informal settlers to obtain decent housing”, Presentation to the NGO workshop on Housing for Low-Income Groups at the Second United Nations Conference on Human Settlements (Habitat II), June 1996, Istanbul.

——— and Majale, M., (2004), *The urban housing manual: Making regulatory frameworks work for the poor*, Earthscan, London.

Tipple, A.G., (1996), “Housing extensions as sustainable development”, *Habitat International*, vol. 20, No. 3, pp. 367-376.

UN-HABITAT (United Nations Human Settlements Programme), (2003), *Rental housing: An essential option for the urban poor in developing countries*, Nairobi. Available at http://www.unhabitat.org/programmes/housingpolicy/pubrental.asp.

Manuscripts should be submitted along with, on separate sheets of paper, **two abstracts** of maximum 50 words and 250 words respectively (to be used by UN-HABITAT for promotional purposes). The longer of the two abstracts should contain a summary of the following aspects of the paper: (a) objective(s); (b) methodology used (if this is considered necessary by the author); (c) main findings; and (d) five keywords. Author(s) should also submit, on a separate sheet of paper, **a short review** (200 words maximum) of the his/her previous publications, present occupation and research interests; and appropriate contact details of the author(s), which should contain (at least), name, designation, institution of employment and e-mail address.

Proofs will be sent to authors before the paper is published. They should be corrected and returned to the publisher within one week. Major alterations to the text cannot be accepted at this stage. Authors of papers accepted for publication will receive ten copies of the published paper free of charge.

Copyright. It is a condition of publication that authors vest copyright in their articles, including abstracts, in UN-HABITAT. This enables us to ensure full copyright protection and to disseminate the paper, to the widest possible readership in print and electronic formats as appropriate. Authors may, of course, use the article elsewhere *after* publication without prior permission from UN-HABITAT, provided that acknowledgement is given to UN-HABITAT and the Human Settlements Global Dialogue Series as the original source of publication, and that the HS-Net Secretariat (e-mail: hs-net@unhabitat.org). Authors are themselves responsible for obtaining permission to reproduce copyright material from other sources.