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**Urban Implications
of
National Development
in
Southern Africa**

**The Urban Implications of National Development
in Southern Africa**

**Prepared for
Office of Housing and Urban Programs
East and Southern Africa RHUDO
Nairobi, Kenya**

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PREFACE

This report was prepared by Alfred P. Van Huyck of PADCO Inc. The work consisted of a three-week field trip to Zimbabwe, Swaziland, Botswana, and Tanzania and secondary source research.

This assignment on urbanization in Southern Africa was done concurrently with a broader assignment on urbanization in all of Africa in order to expand the time and resources available for both projects. As a result, text has been duplicated in the reports where appropriate.

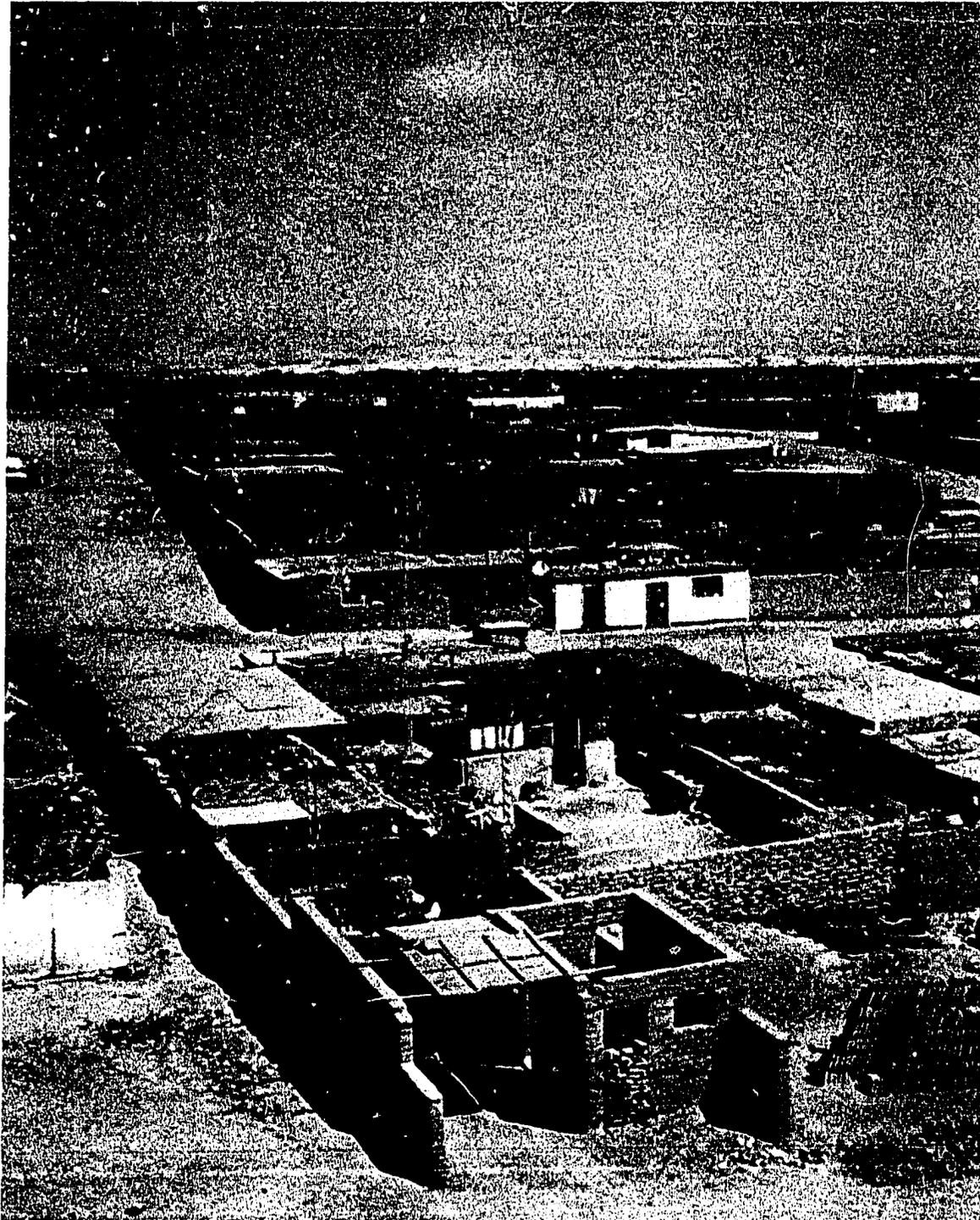
In addition, students at the Massachusetts Institute of Technology prepared individual case studies on Zambia and Mozambique which have been published separately.

It has not been possible during this assignment to review the urban development situation in Angola, Lesotho, or Malawi in any detail.

During the field work, Mr. Van Huyck presented talks on Southern African Urbanization under the auspices of the United States Information Service field offices in Zimbabwe, Botswana, and Tanzania. The cooperation of the USIS staff in each of these offices was deeply appreciated.

Many Government officials gave of their time in interviews during the field work; this time was deeply appreciated.

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EXECUTIVE SUMMARY

This paper has been written to serve as a contribution to the discussion on urbanization and to defining the appropriate urban policy response within the Southern African region. It has been written as a provocative paper that questions present urban policy thinking as measured against the massive expected increases in urban population and the need to create urban jobs, shelter, and infrastructure to achieve national economic growth with particular concern for the poor.

It is recognized that only the governments in the respective countries can determine their own urban policies and programs, therefore, it is hoped that this paper will be read from the point of view of stimulating thinking and internal policy review. The author recognizes that, as an outsider, one cannot satisfactorily "prescribe" urban policy, but can only highlight issues that should be of national and local concern.

In the Introduction, the paper seeks to recognize the unique development constraints that face the SADCC countries. It then summarizes the massive urban population increases which can be expected. It points out that over 89 million new urban citizens must be accommodated in the respective national settlement systems between 1985-2020. This is a 533 percent increase in the urban population as compared to the urban population growth of the previous 35 years (1950-85).

The remainder of the paper raises the central issues that need to be addressed in accommodating this urban population growth and challenges many of the present policies and thinking about urbanization. Specifically it makes five major points:

1. It recognizes that agriculture, regional transportation, and communications should be the highest investment priorities as SADCC and others have stated; but points out that these priority investments will not absorb the rapidly growing rural labor force in productive employment at the scale needed. Therefore, off-farm employment generation should be a major priority, as well.
2. Off-farm employment at the scale required cannot be developed in rural areas and, therefore, urban job generation should be an important component of national policy. Within urban areas, the focus has been mainly on "formal sector" wage employment, but this sector will be able at best to absorb between 20-30 percent of the urban labor force (even while contributing much more to GDP). This is particularly true when it is recognized that government and public sector wage employment increases should be held to a minimum because of the difficult macro-economic situation. Only the private sector offers the potential for job generation at the scale required.

Therefore, it is important that the informal, small-scale enterprise sector be recognized as an important contributor to job generation and be encouraged through appropriate government policies.

3. The scale of urban population growth expected and the need for urban job generation required means that urban policies must seek to stimulate urban growth throughout the national settlement system from the primate city to the smallest market towns. The report suggests that current urban policies do not do this effectively because of the historical traditions of African towns as places for administrative control of national resources rather than as "engines of development" in their own right. This can occur only if the urban policies in place support spontaneous urban growth rather than government attempts to "micro-manage" the urbanization process.
4. Central to the process of supporting spontaneous, private, formal and informal urban growth throughout the national settlement systems will be the creation of decentralized urban management and the adoption of largely self-financing urban services. The report coins the phrase "the entrepreneurial urban manager" to highlight the difference between an urban manager who facilitates and encourages job generation and development versus one who sees the role as that of controlling development. If this emphasis on decentralization of urban development with efficient management and self-financing is to take place, major policy changes will be required along with a substantive training program to build new skills and capacity at the local level.
5. The report closes by pointing out that the economic benefits of urbanization can be achieved only if there is concurrent development of related residential settlement areas with affordable housing built primarily by the informal sector, access to land tenure and supported by efficient land policies, and the provision of urban infrastructure at standards affordable to low-income households and operated on a self-financing basis.

Taken collectively, these five points suggest that urbanization needs to be recognized as a much greater challenge to the SADCC countries than has heretofore been recognized. At the same time, it should be recognized that through an efficient urbanization process there is an opportunity to directly contribute to the achievement of national economic objectives while serving effectively the needs of the lowest-income households.

INTRODUCTION

The nine countries (see Map 1) that make up the Southern African Development Coordination Council (SADCC)¹ have faced enormous problems and challenges during their relatively short periods of independence. Many of these problems have been generated by natural causes in the form of drought and adverse external conditions in the international marketplace. The internal insurgency activities perniciously supported by external forces have further caused the environment for development to suffer.

Today, Southern Africa faces very serious economic (see Table 1), political, and social problems in reversing the development decline and creating stable conditions for economic growth with concern for the poor. The hard realities of the present development situation in Southern Africa must be both fully understood and accepted as the basis for staging the economic recovery, which is both essential and possible.

The development priorities set by SADCC in transportation, communications, trade, and food security are focused on the critical issues. These are the areas in which capital investment must flow in the near and intermediate term.

While nowhere in the SADCC investment priorities is the word "urban" mentioned, it is nonetheless difficult to imagine substantive progress on their achievement without the development of an efficient and productive national urban settlement system. This paper argues that continued national economic growth in Southern Africa will be directly tied to the efficient and productive guidance of the urbanization process.

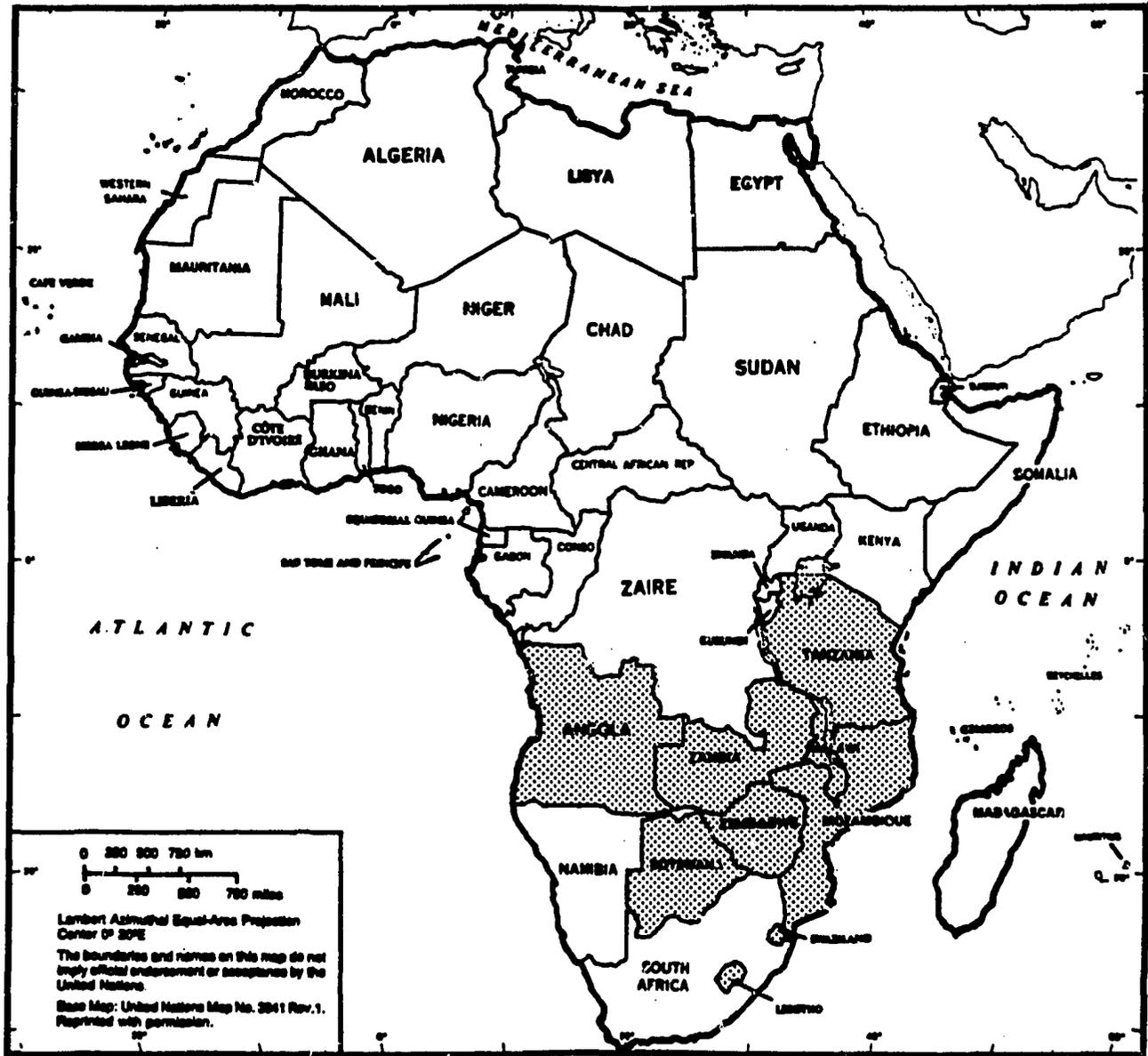
¹SADCC is an important development catalyst to the nine member states. SADCC saw its genesis in July 1979 at the Arusha, Tanzania conference and began operations in 1980. Its purposes are the coordination of common regional interests, including the reduction of economic dependence on the Republic of South Africa (RSA); the development of transport, communications, trade, and food security; and the mobilization and utilization of international economic resources.

The key to SADCC's success has been the adoption of unique structure that allows for the participation of member states with diverse political and economic systems; independence from non-regional domination; and avoidance of bureaucracy.

SADCC holds an annual meeting of the Heads of State, several annual meetings of a Council of Ministers to set policy and review progress. The small Secretariat works with standing committees.

The main development work rests with the sectoral programs under the responsibility of one of the member states. A member state upon agreeing to take on a specific project, provides the office staff financing and expertise. Often specific donors relate to the specific sectoral program.

Map 1
Countries
Southern African Development Coordination Council (SADCC)



AFRICA TODAY
64 Washburn Avenue
Wellesley, MA 02181

Table 1
Southern African Economic Indices

COUNTRY	TOTAL 1985 POPULATION (Millions)	PER CAPITA GNP 1985	PERCENTAGE AVERAGE ANNUAL GROWTH RATE GDP		TOTAL GDP IN MILLIONS (\$)		PERCENTAGE DISTRIBUTION OF GDP							
			1965-80	1980-85	1965	1985	AGRICULTURE		INDUSTRY		MANUFACTURING		SERVICES	
							1965	1985	1965	1985	1965	1985	1965	1985
Low-Income Countries (Less China and India)	633.9	200	3.2	2.8	35,480	145,780	41	36	17	19	10	12	42	45
Lower Middle- Income Countries	674.6	820	6.3	1.6	66,800	509,630	29	22	24	32	16	17	47	47
MOZAMBIQUE	13.8	160	N.A	<9.6>	N.A	3,230	N.A	35	N.A	11	N.A	N.A	N.A	53
MALAWI	7.0	170	5.8	2.0	220	970	50	38	13	19	N.A	N.A	37	44
TANZANIA	22.2	290	3.9	0.8	790	5,600	46	58	14	8	8	5	40	33
ZAMBIA	6.7	390	1.8	0.1	1,060	2,330	14	14	54	39	6	22	32	46
LESOTHO	1.5	470	6.7	0.5	50	260	65	N.A	5	N.A	1	N.A	30	N.A
SWAZILAND	0.8	670	N.A	N.A	N.A	N.A	-----NOT AVAILABLE-----							
ZIMBABWE	8.4	680	4.9	2.5	960	4,530	18	13	35	43	20	29	47	44
BOTSWANA	1.1	840	14.3	12.1	50	830	34	6	19	49	12	8	47	46
ANGOLA	8.8	N.A	N.A	N.A	N.A	N.A	-----NOT AVAILABLE-----							

Source: World Development Report 1987

The key urban development priorities will be the generation of private sector urban jobs, the development of infrastructure to support urban economic development and residential settlement, and the provision of efficient urban management and local finance mobilization.

The improved standard-of-living of Southern Africa's poverty level populations can best be achieved through sustained economic growth and increased household income in both the rural and urban areas. This will require a blend of policy and program activities which seek to achieve the highest economic efficiency of scarce and limited capital investment in locations of comparative advantage while, at the same time, providing for access to the benefits of this economic growth to the lower-income groups.

The scale of the development challenge and the magnitude of the urbanization process will be beyond the capacity of Southern African governments at the national and the sub-national levels to achieve alone. This will be true regardless of the good will, efficiency, and dedication of government to the development task. There simply will not be enough capital available from the public sector, and the present government administrative capacity is still insufficient.

Southern African nations will need to mobilize all of their governmental and private non-governmental capital and human resources in the development task. All have an important contribution to make to the national, social, and economic development process. Each should be encouraged to undertake aspects of development they can most efficiently perform.

The development of national development strategies in Southern Africa will need to consider the difficult macro-economic conditions in terms of trade, foreign debt, budget deficits, and inflation. While conditions have improved recently, it is not certain that they can be sustained.

The Southern African region has a combined GDP of \$22 billion, which means an average per capita GDP of \$320 per year. Only Swaziland, Zimbabwe, and Botswana are included among the lower middle-income group of countries. The other six are within the lowest-income group of countries.

The uncertainty surrounding South Africa within the region is highlighted because security issues and development cannot be separated. South Africa is a major supplier to the region, holds a large investment portfolio within the region, provides employment for more than a million persons from the region, and earns a billion dollars a year from the region for services.

Above all, South Africa controls the international gateways to the region for imports and exports and will continue to do so until the insurgencies in Angola and Mozambique are stopped.

The ability of the SADCC countries to successfully lower their dependence on South Africa while maintaining acceptable levels of economic growth will be the most critical political and economic issue to be addressed over the next decade.

URBAN POPULATION GROWTH

THE URBAN DEMOGRAPHIC PERSPECTIVE

The importance of urbanization to the future of Southern Africa is dramatically illustrated in Table 2. In 1950, the nine SADCC countries had a combined urban population of 1.3 million persons. Only in Zimbabwe was there even 10 percent of the total population in urban areas. Thirty-five years later the combined urban population had increased to 15 million persons, but still represented only 21.2 percent of the total combined population. The situation in 1985 highlights the increase in Zambia's urban population because of the massive mining activities, as well as substantial increases in all of the larger countries within the region.

The net aggregate increase was 13.7 million persons during the 35-year period which was more than enough to strain the ability of governments to provide urban services, housing and jobs. Indeed, it has been this rapid urban population growth which has reinforced the general policy concern of the respective countries to retard urban growth.

However, when the urban population projections of the United Nations are analyzed for the next 35 years, the true enormity of the urban population explosion can be fully recognized. The United Nations estimates that by the year 2020 there will be over 100 million persons living in urban places in the Southern African region. While these numbers are truly alarming, they nonetheless still represent less than half of the total regional population.

The net aggregate gain in urban population is 89 million persons during the 35-year period. This compares with the total of 13.7 million in aggregate urban population growth during the previous 35 year period. It is a 553 percent increase in the total urban population. Except for the small countries of Lesotho, Swaziland, and Botswana, truly huge population projections are pending.

The essential point to be made is that the Southern African countries must recognize that the enormity of this growth cannot be stopped by development strategies which rely only on rural development and agriculture.

As a crude indicator of the implication of the urban population increase on urban job generation requirements, we can use a "rule of thumb" that 40 percent of the total urban population will be active in the labor force. This would mean a total of 35 million new urban jobs will be needed during the 35-year period from 1985-2020. While the mass of those jobs will be required in the later years, it is now essential that a policy framework be put in place that is conducive to rapid job generation in urban areas.

THE POTENTIAL FOR MEGA CITIES

Table 3 constructs the estimated percentage of urban population living in the capital cities of the SADCC countries. Since the sources used are diverse, the presentation should be used with caution.

The five countries that have cities with 1980 populations of more than 500,000 have had population projections made by the United Nations through to the year 2000 as shown in Table 3. These projections show a population in the capital city of more than a million persons each by 1990 and doubling again by the year 2000. While cities of approximately 2 to 4 million persons are not in themselves unusual by world standards, they will represent a difficult challenge to the Southern African countries because of their low per capita GNPs.

In spite of these dramatic growth rates in the primary cities of the region, the probable aggregate growth over the next 20 years from 2000 to 2020 will be vastly greater. No official projections for these out years are available, but it is clear that either the primary city will grow to enormous proportions or the entire urban settlement system will have to grow at very rapid rates.

For example, in Zimbabwe if we accept that Harare will be 5 million persons by the year 2020, it will still mean that Bulawayo will be between 3.5 and 4.0 million persons. The other nine urban centers with 1982 populations of between 20 and 80 thousand persons will have increased to between 200-800 thousand each.

Thinking about the future of the national settlement system must adapt to the need for guiding rapid and sustained urban growth over a prolonged period of time. Unless this scale of potential urban growth is grasped fully now, there will be unprecedented urban problems of the scale of those in Lagos throughout Southern Africa.

Table 2
Southern African Urban Population
Data 1950, 1985, and 2020
000s

COUNTRY	PER CAPITA GNP 1985	1 9 5 0		1 9 8 5		2 0 2 0		AGGREGATE GAIN		PERCENT CHANGE
		URBAN POPULATION 000s	Percent	URBAN POPULATION 000s	Percent	URBAN POPULATION 000s	Percent	1950-85	1985-2020	
MOZAMBIQUE	160	135	2.4	2,738	19.4	20,935	57.7	2,603	18,197	599
MALAWI	170	101	3.5	845	12.0	7,476	35.7	744	6,631	791
TANZANIA	290	285	3.6	3,339	14.8	30,115	40.4	3,054	26,776	776
ZAMBIA	390	216	8.9	3,297	49.5	16,049	75.9	3,081	12,752	314
LESOTHO	470	6	0.9	87	5.8	778	21.1	81	691	753
SWAZILAND	670	4	1.4	171	26.3	1,052	59.4	167	881	427
ZIMBABWE	680	257	10.6	2,153	24.5	14,588	50.3	1,896	12,435	556
BOTSWANA	840	1	0.4	207	19.2	1,771	49.2	206	1,564	659
ANGOLA	--	313	7.6	2,147	24.5	11,569	51.9	1,834	9,422	414
SOUTHERN AFRICA		1,318	39.30	14,984	21.2	104,333	49.0	13,666	89,349	553

Source: "Estimates of Urban, Rural, City Populations--1950-2025: The 1982 Assessment". United Nations.
Analysis by PADCO.

Table 3
Estimated Percentage of Urban Population
Living in the Capital City

1 9 8 0				
COUNTRY	CAPITAL	TOTAL URBAN POPULATION	TOTAL CAPITAL POPULATION	PERCENT POPULATION IN CAPITAL
ANGOLA	Luanda	1,621	1,030	63
BOTSWANA	Gaborone	(1985) 207	(1984) 80	39
LESOTHO	Maseru	(1985) 87	(1984) 80	92
MALAWI	Llionicwe	577	(1984) 172	30
MOZAMBIQUE	Maputo	1,586	780	49
SWAZILAND	Mbabane	(1985) 171	45	26
TANZANIA	Dar Es Salaam	2,228	870	39
ZAMBIA	Lusaka	2,416	530	22
ZIMBABWE	Harare	1,611	610	38
2 0 0 0				
COUNTRY	CAPITAL	TOTAL URBAN POPULATION	TOTAL CAPITAL POPULATION	PERCENT POPULATION IN CAPITAL
ANGOLA	Luanda	4,787	3,170	66
BOTSWANA	Gaborone	613	N.A.	-
LESOTHO	Maseru	241	N.A.	-
MALAWI	Llionicwe	2,453	N.A.	-
MOZAMBIQUE	Maputo	8,945	2,630	30
SWAZILAND	Mbabane	464	N.A.	-
TANZANIA	Dar Es Salaam	9,778	3,430	35
ZAMBIA	Lusaka	7,336	1,820	25
ZIMBABWE	Harare	5,233	1,850	35
2 0 2 0				
COUNTRY	CAPITAL	TOTAL URBAN POPULATION	TOTAL CAPITAL POPULATION	PERCENT POPULATION IN CAPITAL
ANGOLA	Luanda	11,569	7,600	-
BOTSWANA	Gaborone	1,771	-	-
LESOTHO	Maseru	778	-	-
MALAWI	Llionicwe	7,476	-	-
MOZAMBIQUE	Maputo	20,935	6,200	-
SWAZILAND	Mbabane	1,052	-	-
TANZANIA	Dar Es Salaam	30,115	10,500	-
ZAMBIA	Lusaka	16,049	4,000	-
ZIMBABWE	Harare	14,588	5,000	-

Source: Total Urban Population from United Nations 1982 Assessment
Capital Populations from Global Report on Human Settlements, 1986
Except where year is given which comes from Africa Today, 1987

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WHY RURAL/AGRICULTURE-BASED AFRICAN DEVELOPMENT STRATEGIES CANNOT SUCCEED ALONE

INTRODUCTION

The 1986 special session on Africa at the United Nations identified "agriculture as the leading sector." Every major international report has highlighted agriculture as the critical issue in African development.

This report agrees that agriculture is the leading development investment priority along with the essential supporting investments in transportation. Clearly, agriculture must be the first priority in the near and intermediate term for investment.

The reason for the high priority attached to agriculture is obvious. Per capita cereal production in the nine SADCC countries has been declining since 1972. As a result, per capita food imports into the SADCC countries are increasing. This is a serious development problem that must be addressed.

The disappointing agricultural performance of most African economies has been attributed primarily to poor management, weak institutional performance, and the selection of macro-economic policies which have served as disincentives to rural producers. In addition, in Southern Africa insurgencies, the drought, the decline in commodity prices, and the inter-regional transport problems have all added to the difficult economic situation.

All of these points are now the focus of concentrated action by the countries and international donor agencies. It is unlikely, however, that their correction alone can provide the environment for sustained economic development with social equity.

This report argues that two important points have been overlooked in the discussion of African agriculture to date:

- Agricultural development requires urban markets and urban consumers to generate cash incomes, provide consumer goods for rural households and inputs to the agricultural economy. This involves the entire urban settlement system from the central city to the market towns and villages.
- There is rapidly growing overpopulation occurring in rural areas that cannot be absorbed productively by increased agricultural production strategies alone. If these persons are not to be a permanent economic drain on the economy, they must be employed in off-farm employment which can best be provided efficiently, at the scale required, in urban places throughout the national settlement system.

AGRICULTURAL PROSPECTS

Most observers have stated that Africa can be self-sufficient in food. This will require progress on the range of macro-economic issues which have had a negative effect on production. It will also require extensive improvement in the national transportation systems, marketing systems and energy networks.

African agriculture can be divided into commercial and smallholder farming. Commercial farming is important to the national economies as it earns foreign exchange, but its future is always uncertain because of the international marketplace.

Substantial investment in modernization is going to be required to keep African commercial farming competitive on world markets. As productivity increases, there is likely to be lowered farm labor requirements. For example, there has been a reduction of 63,000 jobs in commercial farming in Zimbabwe between 1980-83.

The potential for food production increases rests primarily with the smallholder farmers. However, the commercial farms, which were established pre-independence, tend to occupy the best lands and the smallholder farmers are located on communal lands. In Zimbabwe, 75 percent of the communal lands are in ecological zones considered unsuitable for intensive cultivation. The very successful increases in maize and cotton production, for instance, were generated by only 35 percent of the smallholder farmers.

Smallholder agriculture is the target of most donor programs, yet the experience to date has had only limited success. The reasons include lack of appropriate agricultural research and difficulty in delivering appropriate "packages" of inputs, technology, credit, and extension services to meet the needs of farmers who must of necessity be very risk averse. The role of women in smallholder farming has until recently been neglected. Adequate price incentives have been lacking. While these issues are widely recognized they will require several decades to address fully.

The need for convenient and efficient marketing systems is now being recognized. Studies have shown that farming near towns is more productive because of the availability of markets for surpluses.

RURAL/URBAN HOUSEHOLD LINKAGES AND OFF-FARM EMPLOYMENT

Because, in most of the Southern African countries, it is difficult to generate an adequate living above the poverty line in smallholder agriculture -- particularly in the least endowed communal lands -- most families seek to establish employment opportunities off-farm. In Swaziland, each rural homestead averages two members engaged in off-farm employment, which generates 51 percent of the homestead's cash income.²

²Country Development Strategy Statement--Swaziland, USAID, November 1984.

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More than one million persons work in the mines in South Africa drawn from Lesotho, Botswana, Swaziland, and Mozambique. This source of employment has been important to their respective economies as it earns foreign exchange and supports rural households with cash income in the form of remittances. However, the future of this source of employment is uncertain as both the political and economic environment in South Africa is deteriorating. If this source of employment is cut-off in the future, it will have significant negative effects on the rural population and could increase rural to urban migration.

Commercial agriculture and mining are also major sources of employment for rural households. Zimbabwe, Malawi, Botswana, Swaziland, and Zambia particularly benefit from these sources of employment. However, it is unlikely that employment opportunities in either commercial agriculture or mining will be increasing substantially.

Since these primary sources of off-farm employment have limited growth potential, the burden must shift to the private sector. There is greatly increased interest among the countries and donors in the creation of rural off-farm employment. This concept is consistent with the current view that urban migration should be discouraged, but how practical can it be given the need for massive off-farm job generation for the rural poor?



Evidence on rural off-farm micro-enterprise employment is fragmentary, but not encouraging. It was estimated to be 50,000 in 1980 in Zimbabwe.³ In Botswana, micro-enterprises employment was recorded as 30,731 in 1985 which was only 16.7 percent of those employed in the rural areas.⁴

In Botswana, the Government attempted to support micro-enterprise employment generation in the rural areas with a variety of public sector initiatives. Overall these Government efforts have had little effect over a decade-long period of activity. It is unlikely that public sector programs will have much effect in overcoming the underlying constraints to rural off-farm enterprise employment.

AGRICULTURAL LAND ISSUES

The problem in Africa is not total land availability, but the lack of high quality land. Table 4 presents the per capita land distribution of crop land in the SADCC countries. The rapidly increasing rural population cannot be absorbed within the available high quality land areas indefinitely (for example, the population density on the communal lands in Zimbabwe doubled between the 1969-82 census periods).

Even in those countries with undeveloped rural land areas suitable for cultivation such as Tanzania, Zambia, and Malawi, it will prove costly to develop new regions for smallholder farming and the productivity of the new lands is likely to be lower.

Further complicating the land situation is the use of traditional forms of land tenure in the communal areas. These lands tend to be under the control of local chiefs who allocate land to their people. It has been noted that this tends to lower land productivity because without secure tenure, farmers are reluctant to invest in improving the land quality or to prevent ecological damage. Also, without tenure there often is a problem in obtaining access to credit.

MALNUTRITION AND FOOD SUPPLY

The main emphasis in Southern African agriculture has been on the production of food -- the supply side of the equation. Only Botswana has concerned itself with the "food access" side of the equation.

Hunger and malnutrition are serious problems. One third of Lesotho's families are affected. In 1987, UNICEF estimated that 3.8 million people in Mozambique were facing the possibility of starvation because of the insurgency and the lack of foreign exchange to pay for food.⁵ In Zimbabwe, malnutrition is reported in some areas.

³USAID CDSS.

⁴GOB, Labor Force Survey, 1984/85.

⁵"Introduction, Overview and Policy Options for Southern Africa". Bryant, Coralie

Malnutrition is a poverty problem. Its root cause is the lack of cash incomes to purchase an adequate diet. The role of urbanization in creating cash incomes should not be overlooked. The root causes of rural poverty are under-endowed rural regions that cannot be made productive through efficient capital investment. They can be supported only through open-ended subsidies. Urbanization of these populations and the creation of productive urban work is one positive approach that offers potential.

While agriculture must be the highest priority for investment in order to achieve food security and production of commodities for export, it cannot create rural jobs at the massive scale required to absorb the surplus rural labor force.

Table 4
Cropland and Area of Cropland in Relation
to Total Population, 1984

COUNTRY	CROPLAND (Thousand Hectares)	POPULATION		HECTARES OF CROPLAND PER PERSON	
		TOTAL (Thousands)	AGRICULTURAL (Thousands)	TOTAL POPULATION	AGRICULTURAL POPULATION
ANGOLA	7,440	21,718	5,216	0.34	0.56
BOTSWANA	1,360	1,107	665	1.23	2.05
LESOTHO	298	1,520	1,276	0.20	0.23
MALAWI	2,345	6,944	5,440	0.34	0.43
MOZAMBIQUE	3,080	13,961	11,647	0.22	0.26
SWAZILAND	144	550	457	0.22	0.32
TANZANIA	5,190	22,499	18,574	0.23	0.28
ZAMBIA	5,158	6,666	4,747	0.77	1.09
ZIMBABWE	2,682	8,777	6,177	0.31	0.43

Source: Global Report on Human Settlements, United Nations Centre for Human Settlements, 1986.



URBAN EMPLOYMENT PROBLEMS AND OPPORTUNITIES

The primary source of urban job generation will rest with the private sector (including the informal sector).

FORMAL SECTOR INDUSTRIAL POTENTIAL

According to the "Industry and Development: Global Report 1986 prepared by the United Nations Industrial Development Organization (UNIDO), the prospects for "African industrialization remain gloomy." Zimbabwe is singled out as a notable exception. It points out that much of the industrial base is of the "import substitution" type which remains vulnerable to external conditions. Overall, Africa has weak industrial trade linkages with the rest of the world. Internal regional trade is limited by the lack of financial arrangements, weak transportation, and communications. A considerable part of the industrial base is in need of rehabilitation.

The record of the parastatal industrial sector is particularly disappointing. In Zimbabwe, non-financial public enterprises contribute at least 15 percent to GDP but, between 1981-84, they contributed total losses of US \$860 million equivalent to 57 percent of the economy's net savings during the period.⁶

A number of constraints have been identified that limit industrial potential, particularly in the private sector. These include: barriers to entry into public enterprise markets, financial constraints, including lack of access to credit and foreign exchange, heavy taxation, labor laws and regulations, and price controls. Overall, these constraints outweigh the available "incentives" provided by African governments which have not been successful overall and have probably added to market distortions.

There is a general consensus as to what is needed to stimulate private sector industrial growth:

- Enlarge the role of the private sector, reduce administrative controls and simplify procedures.
- Encourage development of African entrepreneurship, integrate women into the development process, support the private voluntary sector, and support the informal sector in agriculture, trade, and industry through technical assistance, training, and access to credit.
- Facilitate the creation of regional markets, free up domestic markets, and keep realistic prices for foreign exchange, capital, products, and labor.
- Review the role of parastatals.
- Urge business to accept a socially responsible role in development.⁷

⁶USAID CDSS.

⁷"The Nairobi Statement," Proceedings of a Conference held in Nairobi, Kenya, October 1986.

As important as formal sector industrial development is to the future of urban economies, it is unlikely to play a significant role in providing more than 20 percent of the urban job generation necessary. In Zimbabwe, manufacturing contributes 23 percent to the GDP, but employs only 6 percent of the labor force. In Swaziland, total wage employment occupies only 29 percent of the labor force and in Malawi only 14 percent of the labor force.

SMALL-SCALE INDUSTRY AND THE INFORMAL SECTOR

In the near term, the most promising approach for Southern Africa is likely to be the active promotion of small-scale industry. This was recognized in the Lagos Plan of Action prepared by African Governments in 1982 which urges "creating a network of small- and medium-scale industries as well as actively promoting and encouraging the informal sector."

Much of the economic activity in African cities is provided by the informal sector. The informal sector can generally be described as those economic activities and enterprises which are carried on outside of government rules and regulations and are not registered officially in government records. The informal sector is much more than "petty traders" and "hawkers." It contains substantial numbers of light manufacturing, repair services, transportation, and other value-added productive enterprises. There is a mutually reinforcing relationship between formal and informal economic activity which needs to be supported.

The advantages to small-scale industry compared to large-scale industry include:

- More efficient use of capital
- Low costs of job generation
- Mobilization of domestic savings
- Development of domestic entrepreneurs, managers, and semi-skilled workers
- More equitable income distribution
- Growth of production oriented toward basic consumer needs of lower- and middle-income groups

Small-scale enterprises are also more readily adaptable to small urban centers where they can provide goods and services to dispersed rural populations.

World experience has shown that it is difficult for the public sector to directly assist small-scale enterprise. Most important is to ensure that the regulatory and legal climate is conducive to developing small-scale enterprises. The basic process of providing infrastructure -- such as roads, water, and power -- has also been shown to stimulate small-scale enterprises in areas where they become available. Also, small-scale enterprises need access to market rate credit and small amounts of foreign exchange.

The entire experience with informal credit systems and how they can be facilitated to support small-scale enterprise is an important area for attention.

Most African societies have a system of informal credit. These informal credit systems operate without complicated procedures or paperwork. They operate on social pressure alone for repayment, yet maintain very low delinquency rates. Their source of funds comes from their members contributing a fixed amount monthly. The group decides who will receive the proceeds based on well established policies.

BUILDING MATERIALS AND CONSTRUCTION INDUSTRY

Building materials are an obvious but often overlooked input in the urbanization process. The fact that it is an "industry" often means that the policies, rules, and regulations are set by ministries of industry or others who are not concerned with the relationship to housing and urbanization. The bottlenecks and supply constraints within the building materials industry are frequently the cause of delays in housing production, increased costs, and misallocation of resources.

Experience has shown that the building materials industry will operate most efficiently when it is relatively free of government regulation and relies mainly on private sector suppliers.

The building materials industry lends itself to a variety of scales of production. Many types of materials, particularly those used in informal sector housing, can be produced and sold by micro-enterprises. This can provide easy entry for new businesses and be a source of significant job generation.



Ultimately, the success of housing and urban development will depend on the effectiveness and availability of a viable construction industry. Approximately one-half of gross fixed capital formation is construction output.

In many countries, there are widespread and common problems that exist in the construction industries including inadequate management, lack of skilled labor, constraining laws and regulations, price distortions, non-competitive practices, inadequate access to credit and foreign exchange, and uneven access to building materials.

Substantial reduction in construction costs can be achieved through the adoption of appropriate policies, removal of procedural constraints, encouragement of efficient management, and stimulation of competition.

STIMULATING URBAN JOB GENERATION

The huge projected growth in the urban labor force in Southern Africa means that high priority must be given to job generation in the private sector. The public sector's role in stimulating private urban job generation is primarily a concern with:

- Ensuring that the macro-economic policies of government are conducive to private sector investment in labor intensive enterprises, the freeing up of markets, and creation of strong rural/urban linkages.
- Providing access for the private sector to the national pool of domestic savings on a competitive basis with the public sector.
- Adopting national urban policies which favor economic growth and efficiency in urban centers of comparative advantage.
- Improving urban management and finance to provide an efficient urban environment within which private enterprise can thrive.
- Ensuring the provision of urban land and infrastructure for housing and economic development by the private sector.
- Opening up competition among public enterprises and allowing for freedom of entry by the private sector in production of goods and services which have been restricted to public sector entities.

The encouragement of the informal private sector can take many forms:

- Improved access to infrastructure.
- Improved access to credit at full market interest rates.
- Creation of trade associations or coops through private voluntary actions which can encourage improved marketing, management, and information distribution as well as selective skill training when required.
- Perhaps the least costly and most effective initiative is for the government to ensure that the regulations concerning informal sector business operation such as licensing, standards for facilities, labor laws, taxes, and other public sector obligations be kept to the absolute minimum consistent with the public interest.

THE FRAMEWORK FOR URBAN POLICIES IN SOUTHERN AFRICA

All countries have either explicit or implicit policies affecting urban centers.

There is a direct legacy from the pre-independence period when the role of towns was to provide a point for administration and control of rural resource regions. The purpose of towns was to exploit rural-based resources for export to European cities. Only such processing as was expedient to develop the maximum return was developed in African cities. Even the commercial activities in towns were not in the hands of indigenous Africans. Africans were not encouraged to be in the towns at all unless it was in the role of clerk, domestic, or laborer.

The physical structure of pre-independence towns could be of high-standard infrastructure provision, low-density residential settlement, and high-quality construction because the towns were paid for by the wealth created from the exploited rural regions and not their own urban economies.

The protection of the high standards in these pre-independence towns was achieved through the laws, rules, regulations, and physical standards administered by the urban managers of the time. Most of these provisions remain unchanged today.

These urban policies act as a brake on efficient development in a variety of ways:

- Governments are heavily committed to preserving the physical quality of cities and towns which were inherited at independence. Yet the fundamental role of urban centers in an independent country is different. Cities and towns must be consumer markets for rural production and in turn must be the producers of goods and services to be consumed by the rural populations. Since the per capita GDP of African countries is low, there is an inherent conflict between high standards and the low incomes of rural and urban populations.
- The creation of jobs in pre-independence towns was of no priority because the function of the towns was administration and control. Today countries must be concerned with job creation for their rapidly expanding labor forces. Only jobs in the formal sector of commerce and industry, however, have been welcomed in the towns. These kinds of jobs have high-capital costs per job created and cannot be generated at a scale required. As a result, unemployment in towns and rural areas is rising dramatically among both unskilled labor and educated school leavers who cannot find formal sector employment.

- The location and number of major towns was determined in the pre-independence period on the basis of their relationship to rural supply regions. Some rural areas (usually communal or tribal lands) had no towns at all because there was no economic advantage to the colonial powers. These areas are now frequently the locations of rapidly increasing rural populations that cannot develop economically without the creation of towns. Yet, the cost of developing towns using the high physical standards and elaborate procedures are beyond the financial capacity of the governments. As a result, African countries have too few urban centers but most of the formal "growth pole" strategies of African governments have failed.

There needs to be a new awareness and recognition of the critical importance of cities and towns in the overall economic and social development strategies of African countries.

THE LINKING OF THE SETTLEMENT SYSTEM TO NATIONAL DEVELOPMENT

The development of a national settlement system concept will be an important part of stimulating efficient urbanization. This presents African governments and populations with difficult challenges given the overall scarcity of capital, limited management capacity, and the low incomes of the rural and urban populations.

The national settlement system to be efficient must be thought through as a whole with each component contributing based on its advantages:

Primacy In Southern Africa

The issue of primacy tends to dominate the thinking of several Southern African countries (Tanzania, Zambia, Zimbabwe, and even Botswana). The capital cities are growing rapidly and dominate their urban economies. A major objective has been to slow their growth, however, the concern about the size of the primate cities per se is misplaced. Primate cities have many advantages:

- Demonstrably higher returns on investment
- Higher productivity
- External economies which occur with agglomeration
- More efficient urban service provision, transportation, and communications
- Wider range of job opportunities including the informal sector

The starting point for a strategy which will energize the entire national settlement system is to ensure that the primate city is not the beneficiary of unnecessary subsidies. So long as capital cities are, in effect, subsidized, there can be no incentive to choose alternative locations.

It is appropriate for the nation's capital to maintain higher standards and provide for the level of services essential for growth in the formal sector so long as this is not done at the expense of the rural and urban poor.

Development of Primate City Regions

Another way to take advantage of the economic dynamics of the primate city while avoiding some of the problems of rapid urban population growth of the low-income population is to take a broader view of the primate city as the center of an urban/rural region. In Zimbabwe, the rapid growth of Chitungwiza has been one means of maintaining the high standards of Harare while accommodating the growth pressure. Small towns can be considered as the location of informal sector activities and job generation which can still utilize the high-income market of the primate cities for their output.

In the immediate hinterland of the main urban centers, agriculture should be focused on providing for the food requirements of the urban population.

In order to energize the primate city region, governments need to allow flexible standards for infrastructure provision and housing to accommodate low-income populations. Of particular importance is to facilitate the maximum creation of informal sector enterprises in those outlying small urban centers which can market in the capital city.

The Role of Secondary Cities In National Development

One of the major difficulties facing African countries is that the secondary city structure was established in response to specific pre-independence development requirements. Towns were located to support the exploitation of resources such as mining towns, transportation points, or commodity processing centers. They did not evolve in response to population concentration.

Many of these small urban centers have good infrastructure because of their specialized development role which can be used to support future growth. However, their locations within the country may not make them efficient centers for overall urban growth. In Botswana for example, it is desired to induce growth into Selebi Phikwe, a mining center, but some local development specialists question whether this is desirable given the difficult topography and distance from the main rail and highway corridor.

Those secondary centers which are on the main rail and road systems offer the best chance to support diversified urban development. When the national transportation system is developed and functioning efficiently it can provide an incentive to urban growth along its corridors.

It is important that the secondary city system be allowed to respond spontaneously to the economic growth potential within their region. It is difficult to "micro-manage" the development process. The true growth



centers will be those towns which actually begin to grow for whatever reasons. Selected investments in infrastructure should follow the clear demonstration of spontaneous economic and population growth. Of particular importance is that small-scale enterprises are encouraged and not hindered. The need to create the maximum amount of employment through the informal sector is essential to generate cash flow and income.

Avoiding the New Town Trap

The history of new town development has not been a good one. In Malawi, the creation of the new capital at Llongwe was so capital intensive that it contributed to the overall slow down of the national economy and added enormously to the foreign debt. Tanzania has been struggling for 14 years to build a new capital city at Dodoma.

Under any development scenario, new towns cannot possibly provide a meaningful alternative to the scale of urban growth expected. New towns are slow to build and extremely expensive in both capital and technical management terms. Their yield in terms of population accommodated and economic growth are so small they represent an unwise development choice for African governments.

The Role of Market Towns

Rural/urban linkages is one of the "popular" concepts being discussed currently. Simply stated, there is ample evidence that market towns are an essential part of rural/agriculturally based development. They provide markets to farmers, transportation and storage centers, centers for the delivery of essential agricultural inputs, and consumer goods for rural households, and efficient locations for public services and facilities for rural areas.

The development of market towns needs to have a favorable policy environment. Marco-policies which work against rural producers also have a negative effect on the nearby market towns. Parastatals and other government institutions which by-pass local market towns in the delivery of agricultural inputs and the marketing of output also work against the economy of the market towns. The general low level of income among poverty level households in rural areas limits the economic growth of market towns.

It remains to be seen, however, whether the development of market towns can be viewed as a development program independent of the broader task of energizing the development of the entire national settlement system. There are thousands of market towns in Africa so it is obvious that "micro-management" of their development is not likely to be possible through central government action. The best strategy will be to ensure that the policy framework is conducive for local development initiatives and that local leadership is mobilized in the development effort. In those more prosperous rural areas, the private sector will respond if given the opportunity. In Zimbabwe, in those areas where the cotton and maize production increases were located, agri-business firms

have been establishing operations, banks have been opening new branches, and small enterprises have been developing spontaneously.

THE GUIDING PRINCIPLES FOR SOUTHERN AFRICA URBANIZATION

The material presented here suggests a set of basic principles that can be considered by governments as a guide to their urban policy development.

- There needs to be a recognition of the massive scale of urban population growth which must be accommodated in the existing national settlement systems. The reality that the primate cities of Southern Africa will reach populations between 5-10 million persons by the year 2020 needs to be recognized now to guide future planning. This will require a major reversal in the way African governments and donors have been thinking and acting toward cities. It will mean abandoning the anti-urban attitudes incorporated in fruitless efforts to retard urban growth that have led to misallocation of scarce capital resources and inefficiency in uneconomic rural development programs. Urban population growth should be viewed as an opportunity to effectively mobilize underutilized rural labor in the process of nation building through urban job creation.
- The essential investment priority must be given to agriculture and inter-regional transportation and communications. Therefore, urban investment cannot expect a larger share of national or internationally generated funds than available at present levels.
- Urban job generation will be the central objective of the new approach to urban policy. This will require a recognition that the informal private sector must be the major generator of urban jobs. The role of the public sector will be to facilitate the maximum possible new enterprise creation. This will mean a detailed review of macro-economic policies to assess their effect on job creation and private sector enterprises and to revise those policies which act negatively on the job generation process. It will mean reducing all of the transaction costs to new enterprise formation and expansion. This will include removing obstacles which keep the legal threshold of new enterprise formation too high for low-income entrepreneurs to comply (licenses, building permits, land use controls, labor regulations, etc.). It will mean increasing access to credit for private formal and informal enterprises, but at full market rates in order to achieve efficiency in the use of scarce capital.
- The development of the physical structure of cities and towns will have to be viewed as a self-financing process. Urban growth is a wealth-creating process as land prices rise in response to increasing density, markets are deepened and diversified, urban labor productivity increases wages, etc. The urban subsidies in food, infrastructure, and publicly provided shelter frequently found in African cities, particularly capital cities, must be viewed as an unnecessary drain on national resources which distort urban growth patterns and overall efficiency of investments by both the public and private sector. The urban centers need to expand their financial base through selected taxes that effectively tap the wealth created but do not penalize job generation, and through full cost recovery of urban services.

- It should be clear that in achieving these objectives the nature of cities and towns in Africa will have to change. No longer will it be feasible to seek to suppress informal development of houses and enterprises through the use of high transaction costs and the police power. Instead, an effective set of policies to guide this informal and largely spontaneous process of urbanization will be needed. Such a process will need to address the land tenure and land access issues effectively to provide for orderly land use development at higher densities and prepare for efficient installation of services at some future date. The provision of housing stock must be viewed as a non-governmental responsibility for all income groups as well as civil servants.
- The rigid town planning control process will need to be replaced by a flexible system of development permission in general areas of growth and the use of controls only in those areas of critical importance to urban efficiency or public health and safety.
- National urban policies should recognize the economic function of cities in overall national development and seek to improve their efficiency and productivity regardless of city size. Urban investment should be based on actual analysis of performance and not theoretical or political concerns. This means reducing the urban bias which has favored urban centers with subsidies at the expense of rural producers.
- Social equity for low-income groups can best be achieved by the selection of physical standards for housing, infrastructure, and facilities which are affordable to the nation and to the people. Of particular priority is ensuring access to land with secure tenure to low-income groups.
- Recognition needs to be given to rural-urban linkages (concerns with the flow of goods, services, people, and capital between urban centers and rural hinterlands). Experience has shown that the success of agricultural development will be enhanced when their urban implications are considered as fundamental parts of the strategy.
- The development of disadvantaged regions can be achieved best by investing in those sectors in which the region has some viable economic potential rather than supporting inherently non-economic investments through subsidies.

THE ROLE OF URBAN MANAGEMENT

If the cities and towns of Africa are to play a positive role in national economic development they will require a significant increase in the urban management capacity of the civil service. According to an 1982 IMF survey, Africa has a lower percentage of "local" rather than "central" government jobs of any developing region in the world. Africa has 6 percent of government jobs at the local level compared to 21 percent in Latin America and 37 percent in Asia. The average for industrial countries is 57 percent.⁸

It will be necessary to decentralize administrative systems. The scale and velocity of the urbanization process in the decades ahead will preclude the reliance on a centralized administrative and urban service delivery system. Most SADCC countries have stressed the importance of decentralization in their national development strategies, but few have made as yet the major administrative reforms necessary to support their decentralization objectives. The tendency has been to control the mobilization of resources centrally and guide their allocation to decentralized capital development projects through central planning mechanisms.

Town governments have been kept weak by national government policy. While many urban governments have been allocated responsibilities for the maintenance and operation of their infrastructure and facilities, there has not been a concurrent granting of freedom to raise the revenues required to meet these responsibilities. As a result, the deterioration of urban infrastructure is a serious constraint on urban development in many places.

As part of this evolving process an entirely new approach to urban management will be needed. The role of urban management must shift from the colonial-inspired mentality of high-standard urban development and control to one that seeks an "entrepreneurialship" approach.

The key policy elements of the "entrepreneurialship" approach to urban management will be to accept the reality of urban growth pressures generated by the poor majority of a nation's citizens. It means reviewing each and every law, regulation, and procedure in order to lower the costs of legal urban settlement and growth; maximizing the opportunities for urban job generation through facilitating the growth of the informal sector; and recognizing that the physical standards of provision of infrastructure and facilities are affordable to the people and essentially self-financing.

⁸"Urbanization in Africa: Issues and Opportunities" (preliminary draft; ABT Associates, October 27, 1987.

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The following general principles should be considered in this process:

- Central governments should adopt administrative decentralization policies oriented to strengthening local government and providing the incentives to increase local responsibility for development, concurrently with increased power for local government revenue generation.
- Urban settlement planning should be conducted at the local level to ensure local input and citizen participation in the planning process.
- The efficient operation and maintenance of infrastructure and facilities should receive a priority at least equal to that given to the construction of new increments of capital stock.
- The user population should pay an ever-increasing share of the cost of infrastructure and urban services so that, in a reasonable period of time, urban services can be placed on a self-financing basis.
- The taxation burden on private productive enterprises should be kept at levels below that which would constrain economic expansion and job generation. Revenues can be increased through improved tax administration and through broadening the tax base.
- Local governments should be encouraged to seek out opportunities to form public/private partnerships for the provision of housing, infrastructure, services and economic development with job generation.
- Emphasis should be placed on establishing effective local government procedures for the management of urban places, provision of essential modern office equipment, and ensuring that current cadastral surveys and other essential elements of the local urban data base are in place and operational.
- Sustained training programs, implemented by specialized national and local training institutions, should be developed for local government managers and staff at a scale sufficient to meet national requirements and reflective of the new policies and procedures.
- Salary structures and career incentives should be established which are conducive to attracting able and qualified personnel to local government public service.

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SHELTER, LAND, AND INFRASTRUCTURE

The massive Southern African urban population growth expected over the next 35 years will place enormous strain on the capacity of cities to develop residential settlement areas. This will require a redefinition of the roles of the public and private sectors.

African housing policies have been largely ineffective in meeting national needs, and they are frequently superimposed on weak public housing institutions.

Arguments about the pros and cons of housing investment have been made over the years. However, a new concept is emerging which points out that economic development is directly tied with the productivity and efficiency of urban centers. More than half of the GDP of many African countries is generated in urban places. Critical to the economic productivity of cities will be the provision of housing and infrastructure.

There is considerable evidence that housing does have an important economic development role and is not merely a "social sector."

The challenge to African countries is to organize their housing policies to take full advantage of the economic development and job generating contribution of private formal and informal housing while meeting the needs of their population for shelter, particularly among the low-income groups.

The history of public housing efforts has been consistently disappointing. Public housing has been usually over-designed, expensive, and required massive subsidies. It has failed to achieve acceptable levels of cost recovery from the beneficiaries. The project-by-project approach to public housing has been slow in production, costly in management time, and uncertain as to the availability of annual funding. Even the much more successful and appropriate sites and services projects, such as those undertaken in Tanzania, Zimbabwe, and Botswana have not fully overcome these basic problems.

National housing policies should recognize the limited capacity of the public sector to meet the housing demand from low-income groups and shift the responsibility to the informal private sector. Capital saved should be used to provide urban land and infrastructure for low-income settlement areas.

To facilitate the production of low-cost housing in the private sector, governments should ensure that the legal processes for obtaining building permits and approvals are efficient and affordable, and that physical standards reflect the ability to pay of the target group.

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Essentially, what is needed now is for housing policies and their implementing mechanisms to make a fundamental switch from a concern about housing as an output to a focus on housing inputs. This means switching from the conventional concern with housing unit output targets (numbers of units to be built) to a concern with the provision of essential housing inputs (land, infrastructure, finance, building materials, and construction capacity).

As part of this effort, there needs to be a redefinition of the respective roles of the public and private sectors to respond to the challenge of housing the vast urban population.

URBAN LAND POLICIES AND PROCEDURES

The availability of urban land at prices that allow for profitable investment in housing or productive enterprises is a prerequisite for efficient urban growth.

It should be a matter of priority among African countries to address their urban land issues in the near future. Among the kinds of objectives which should be sought in order to ensure the supply of urban land to households and enterprises (and particularly to provide access to land for the poor) are the following:

- Secure land tenure (either freehold or leasehold) needs to be readily available to households and enterprises with ability to transfer property rights. Many African countries have multiple forms of land tenure in place which need to be rationalized in order to create efficiency in the land market, equity in the form of access to all income groups, compatibility with the social and economic system, and with continuity over time.
- The land market should be subject to efficient public procedures which are convenient and affordable to enterprises and households (particularly low-income households) to facilitate land registration, land transfer, and cadastral record keeping.
- Governments need to facilitate the timely supply of land for urbanization at the rate and scale required through the use of incentives and taxation instruments which induce private and public landowners to develop urban land in response to effective demand. It is interesting to note that the land use pattern in central Dar Es Salaam has changed very little over the last 20 years even while the city grew from 500 thousand to nearly two million people. Since the State owns the land, there is no pressure to densify downtown yet the failure to do so can create inefficiencies in the land market, and loss of revenue which could be used for investment in future urbanization.
- The potential for public/private partnerships in land development which provide the use of public power and investment in infrastructure in return for a share of the buildable site to be used for public purpose (including low-cost housing) can be explored. Botswana is now developing a massive serviced land program for implementation over the next

five years. Ways should be found to engage the private sector in this program.

- Where government action, through investment in infrastructure, has created substantial additional land value for private owners, it is appropriate to seek cost recovery of this investment.
- There is an urgent need to carefully review and modify land use standards in order to ensure that scarce urban land is used efficiently and productively. Decisions about minimum plot sizes, road rights-of-way, open space, etc., will greatly affect the total amount of urbanized land required over the next 35 years. All African countries have utilized large urban plot sizes (300 M² in Zimbabwe up to 1,000 M² in Maseru, Lesotho). There are cultural reasons for this approach. It reflects the rural heritage of the people. It allows for urban horticulture and animal husbandry. Nonetheless, it is incompatible with the financial resource base and expected urban population growth.
- Where particularly difficult patterns of landownership (either large freehold holdings in the hands of a few owners or communal land under traditional chiefs) exist as a constraint to orderly and efficient urban growth, governments should intervene to free up land for productive development by the private sector. For example, around Francistown, Botswana much of the land needed for orderly urban expansion is held in freehold by South African corporate interests. This situation should not be allowed to continue. Conversely, the much needed expansion of Mabane and Manzini in Swaziland requires conversion of Swazi National Land. Governments need to establish an orderly policy on cooperation with those who control communal land to ensure urban land priorities can be met.
- The public sector has a particular obligation to manage its own land holdings efficiently and effectively in the achievement of urban development objectives. Governments should consider establishing high level, public land policy bodies with broad powers to take surplus land from public institutions for development and resale to private entities and households (particularly low-income households). Many prime sites in downtown areas of African cities are being held by the military, railroads and other public entities which have no commitment to effective land management.

On the other hand, it is important that public agencies do not prematurely sell public land reserves. The rapid sale of public land can create land speculation, which makes efficient urban development difficult.

- In those countries such as Tanzania and Mozambique where all land is owned by the State, a very carefully worked out land policy is essential in order to facilitate efficient use of land at its most economic use and to obtain revenues from the true value realized by the leasehold users.

INFRASTRUCTURE SERVICES

The provision of infrastructure is another key input into efficient urbanization. It is required by both economic enterprises and households. Today, many infrastructure services are severely deficit in provision, decapitalized, and poorly managed. Zimbabwe is a notable exception.

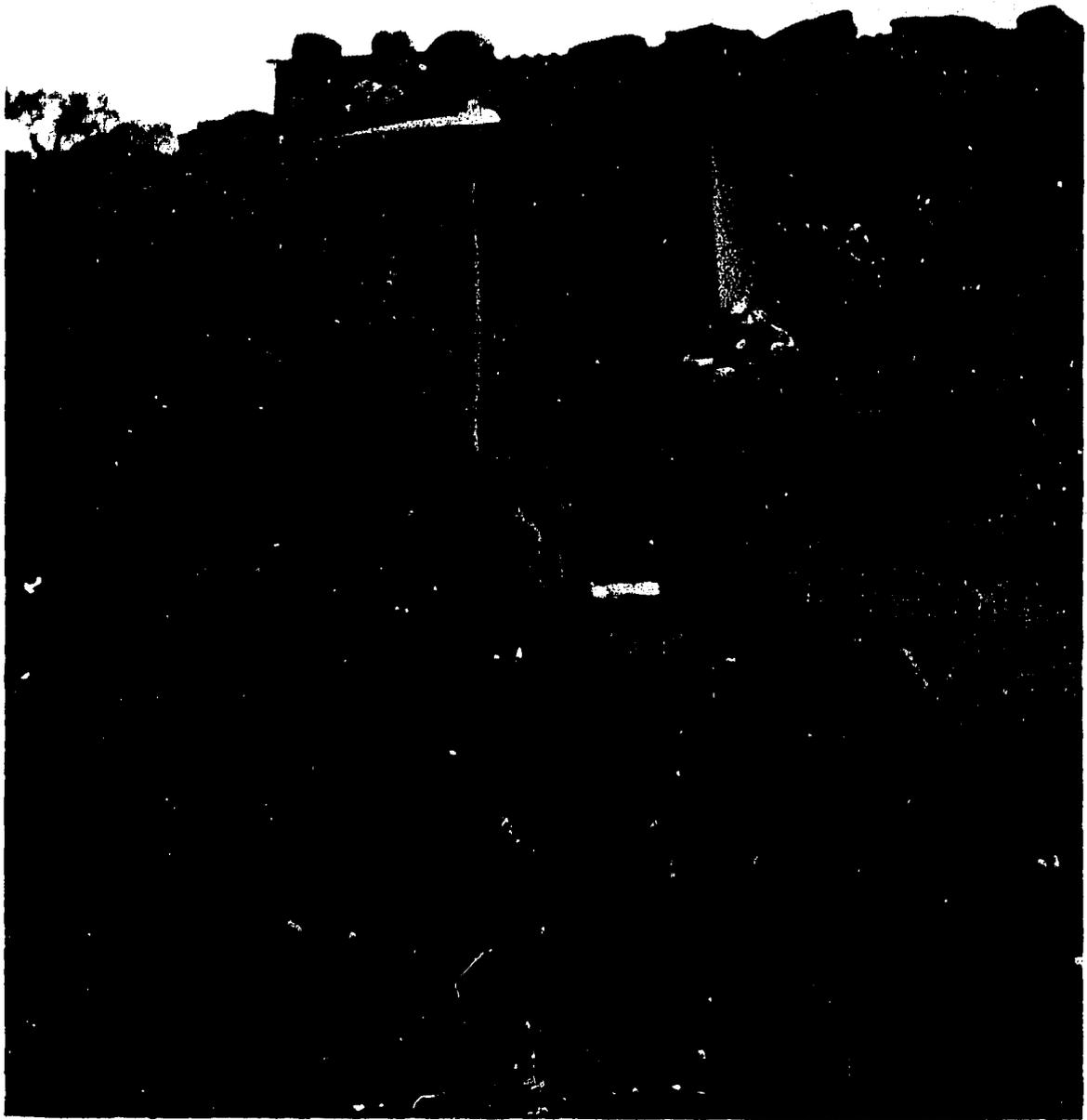
For the rapidly growing urban populations in the low-income countries, it is going to be very difficult to meet the requirements for expansion to service new populations and support economic development. The reasons for this are: the large capital investments required; inadequate cost recovery from previous investments; the use of inappropriately high standards and technologies; and poor maintenance and operations.

The provision of infrastructure and its efficient operation and maintenance is a major public sector responsibility. There are limited opportunities for direct private sector provision of some infrastructure services which can be encouraged in order to improve management and relieve the public treasury of some of the capital costs.



The kinds of objectives that can be considered in support of efficient urbanization include:

- Infrastructure provision should be coordinated with existing urban development trends, particularly residential settlement, to ensure that capital investment is fully utilized. Premature infrastructure investments should be avoided in centers of little economic potential.
- Pricing policies should seek full cost recovery in order to finance new increments of provision and to ensure that services are sufficiently priced to serve as a disincentive to waste and overconsumption.
- Priority is needed to upgrade the management efficiency of infrastructure agencies through introduction of effective policies, procedures, and the enhancement of skills through training.
- The selection of appropriate technologies, standards, and incremental upgrading approaches offer major cost cutting potentials. For example, in lower-density, slower-growing cities, the avoidance of waterborne sewage systems can be achieved through land use planning and the use of fully adequate on-site solutions. Even where waterborne sewage disposal is required, the use of lower-cost systems, such as oxidation ponds, can provide major savings with no loss of service standards.
- Governments should be encouraged to explore the decentralization of responsibility for the operations and maintenance of infrastructure to local levels of urban government. However, sufficient authority for revenue generation must also be transferred, and appropriate technical assistance and training made available.
- It is particularly important that central government infrastructure delivery agencies build systems that are affordable to the beneficiary urban centers.
- In larger cities, governments should consider the use of local authorities for infrastructure provision including capital mobilization through direct access to capital markets.
- The full range of public/private partnerships in infrastructure service delivery should be given positive consideration. Feasibility studies should be made of full privatization of bus transportation and solid waste collection. The use of private management contracts for the operation of infrastructure networks can be considered to recover costs and improve service.
- At the neighborhood level, upgrading programs should be encouraged. The low-income communities can be encouraged to play a role in the operations and maintenance of local systems (for example, septic tank cleaning).



CONCLUDING THOUGHTS

It has not been possible in this paper, based on but a few weeks of work, to differentiate the urbanization issues by the unique characteristics of each of the countries in the Southern African region. The existing national settlement system in any country reflects the historical trends in population growth, natural and man-made resource development, physical features, climate, and culture, as modified by accumulated public policies and political processes. Therefore, there is no one national settlement system that is ideal for all nations. Nor is one national settlement system ideal for any one country for all time.

The most desirable national settlement system for any given country at any one point in time will be that one which represents the most efficient response to national objectives related to:

- Economic growth (agriculture and non-agricultural sectors) and job generation.
- Inter-personal equity (access to land, shelter, facilities, and services at affordable standards for all households).
- Inter-regional equity (the needs of all geographic regions to develop their social and economic potential according to their natural assets and comparative advantage).

Since national resources are limited (both capital and human), no nation can maximize all three of these desirable objectives simultaneously; therefore, trade-offs are required in sequencing the development of the national settlement system. This can be done only by the respective governments themselves. It is hoped that this report can be a contribution to this process.

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