# II THE VARIETY OF URBAN EXPERIENCES

# Africa's Urban Future

## HÜGO KRÜGER AND BHEKI MAHLOBO

The urban future in the coming decades will be largely an African one. The continent is now home to 12 of the world's largest cities and four megacities—and more importantly, Africa has the world's fastest-growing urban population.

By 2100, Africa will be home to a third of the world's largest cities and 40 percent of the world's population. As cities in the West and China age, Africa will remain young. The average ages of European, North American, and Asian citizens today are 40, 38, and 33, respectively; in contrast, the African population is young, with an average age of 24. The signs of Africa's urban growth are already clear: In 2016, Kinshasa overtook Paris as the world's most populous Francophone city, and by 2050, Nigeria is set to bypass the United States as the world's third-most-populated country.

As seen elsewhere in the developing world, Africa's urbanization has accompanied both economic development and growing poverty, disease, and social disorder. This is true as well of our home country, South Africa, which is home to four cities collectively containing more than 2.4 million inhabitants and the megacity Johannesburg in the Gauteng province, where a quarter of the country's population resides.<sup>4</sup>

South Africa's cities had something of a head start over the rest of the continent. The apartheid government left South Africa with the most advanced urban infrastructure on the continent, but its legacy of separate development entrenched the spatial patterns of poverty throughout the country through the execution of the colonial ideology. Given their somewhat advanced position, how South Africa's cities fare in the 21st century is important for not just our country but all of Africa.

#### A Historical Context of Southern Africa

Southern Africa was settled in migration waves that stretched over centuries. With the passage of time, the hunter-gatherers and Bantu tribes expanded and established chiefdoms—around 1,000, in a line traveling south from northern Mozambique to the Transkei River. Southern Africa's urban heritage, starting around the ninth century, predates the arrival of the West by several centuries. This is evidenced by the ruins of Great Zimbabwe, a civilization that included complex polities with knowledge of markets, ivory trade, pottery, and goldsmithing. While speculation of the reasons for Great Zimbabwe's demise have pointed to warfare, a change in trade routes, or climate change, for mostly unknown reasons its inhabitants disappeared by the time colonial powers arrived on Africa's shore.<sup>5</sup>

Southern Africa's large metropolises today, though, trace their roots to the European Age of Exploration. With Bartolomeu Dias's discovery of the Cape of Good Hope, European sailors started to establish trade routes to India. Portuguese imperialists arrived first. The explorers in search of the last kingdom of Prester John settled the coastal cities of Angola and Mozambique. The Portuguese never delved deep into the interior, as they only interested themselves with collecting slaves and later bargaining with the same chieftains to gain access to gold, ivory, pepper, cotton, and sugar.

In the late 17th century, the Dutch—in search of alternative trade routes and markets—followed as the main European interlopers, creating the basis for South African urbanism today. At the Cape of Good Hope, the Dutch East India Company founded a refreshment station at modern-day Cape Town to serve the needs of the slave and spice traders who traveled among the European, Indian, and Dutch colonies in Batavia.

The Dutch immediately came into conflict and ultimately subdued the Khoisan's hunter-gatherer political structures. The hunter-gatherers' descendants were integrated into the Dutch society as cheap laborers who could participate in only menial jobs such as kitchen girls and gardeners with a de facto second-class-citizen rank. After generations of intermarriage, the slave descendants of the Cape colored community were left to live on the outskirts of the cities and towns of the expanding Cape Colony, while the European population resided as masters of the farms or suburban homes.

After Napoleon Bonaparte conquered the Netherlands at the end of the 18th century, Britain quickly captured the Cape Colony to prevent France from controlling the strategic sea routes. With British rule came the eventual abolition of slavery in 1834 and the imposition of the English language, developments that upset the Dutch settlers, who increasingly referred to themselves as Trekboers and later Afrikaners.

As the Cape frontier expanded east toward the Kei River, a series of skirmishes broke out between the Dutch settlers and the Xhosa tribes, with back-and-forth wars continuing for almost 100 years. As the Xhosas lost ground, the frontier towns such as Grahamstown (modern-day Makhanda) and Graaff-Reinet became permanent settlements of the Cape Colony, forcing many Xhosa families out of their traditional homes and leading them to seek employment in the Cape Colony as low-wage workers.

Protesting British rule, the Boers left the Cape Colony and moved into the interior. Later the British chased after the Dutch, occupied the harbor of Port Natal (modern-day Durban), and expanded into KwaZulu-Natal. The British brought in low-wage laborers from India's Gujarat region to work on the sugarcane farms. The legacy is that today by concentration Durban is the city with the highest Indian population outside of India, <sup>6</sup> and it was in Durban that Mahatma Gandhi started the first peaceful protest campaign against colonialism and racial classification at the beginning of the 20th century.

Ethnic politics worked to strengthen the British hold. With the rise in the 17th century of the Zulu Empire and the increasingly expansionist Boers, King Ngwane V and King Moshoeshoe I offered the mountain kingdoms of Swaziland and Lesotho, respectively, as British protectorates. A similar phenomenon took place in Bechuanaland when the Tshwane tribes, under petitions of the British missionaries, asked for London's protection from the expanding Boer forces.

With the discovery of diamonds and gold, South Africa attracted ambitious entrepreneurs such as Cecil John Rhodes, who invested heavily in the mining towns of Johannesburg and Kimberley. Rhodes and his fellow Randlords realized that the mines required cheap labor, primarily from the native African population that resided overwhelmingly in the area the colonial authorities designated as reservations. To maintain control of the cities, Rhodes as prime minister of the Cape Colony modernized the segregation laws by introducing the Glen Grey Act,<sup>7</sup> which limited the amount of land that Africans could hold while tripling the property qualification needed to vote.

Rhodes's actions politically and economically disenfranchised the non-white populace in the land of their birth. As the British Empire developed cities in South Africa, they became built on principles known as the vision of Grand Apartheid. In Johannesburg and Kimberley, for example, the empire reserved certain parts of the cities for the migrating cheap black labor. These townships had substandard infrastructure, and the black population could only rent but never own property. Their only claim to citizenship was restricted to the areas the colonial authorities designated as homelands, forcing constant migration by workers and laying the seeds for the spread of disease, alcoholism, and the breakdown of family structures.

Even before apartheid became the official law of the land in 1948, South Africa's cities developed a pattern of oppression and separation that would last from the beginning of the colonial period to 1994, almost 340 years. Even though the separation and racial laws differed in their severity in various epochs, Africans could work in the cities, but the black population had to show their papers and respect the night-watch rule and could only work in the jobs reserved for them. They were condemned to serfdom, as they could not own land in the areas that were reserved for the European population. The master-servant model shaped these emerging cities with ethnic conflicts and the deep patterns of poverty unresolved to this day. Afrikaners, after a conflict with the British, gained limited self-government and guaranteed equality between England and Afrikaans in courts and administration.

In 1913, three years after the formation of the Union of South Africa, the South African parliament passed the infamous Native Lands Act with support from London, further relegating the black population to the homelands with only the right to trade their cheap labor in the economically vibrant areas. To further export their linguistic model, the apartheid government insisted Africans master both English and Afrikaans—an action that would spark the 1976 Soweto uprising.

Things were even nastier in other parts of southern Africa, particularly those parts controlled by the new German empire. Unlike British and

Afrikaner rule, which was incremental and full of inherent contradictions, German rule was outright brutal. Gov. Heinrich Ernst Göring, guided by the pseudoscience of eugenics, oversaw the first genocide of the 20th century. Eugen Fischer, the mentor of Josef Mengele, was allowed to perform human experiments at Shark Island—just off the shore of modern-day Lüderitz. With the Herero and Namaqua genocide, the intellectual foundations of the Holocaust were put in practice three decades before the rise of Hitler's Third Reich.8

With the end of World War I, the League of Nations handed Germany's colonies of Southwest Africa to South Africa as a protectorate. The region was administered as a de facto fifth province, and the same policy of apartheid used in South Africa was imposed on its cities. Namibia is marked as the only country to experience three distinct forms of European colonialism—Afrikaner nationalism, German rule, and British imperialism—until it achieved independence in 1990.

Unlike in North America or Oceania, the Europeans in Africa never had "safety in numbers." The South African cities developed along distinctly separate lines between the colonialists, who dominated, and the tribal authorities, who through their hereditary chieftains provided the necessary cheap labor. But as South Africa started to industrialize, the white populations became increasingly dependent on the cheap labor of Africans to maintain their standard of living. With the influx of migrants came resistance between the white and black working classes and the government's enactment of the Colour Bar,9 a series of laws that kept jobs "reserved" for whites and for blacks. Nevertheless, the rise of missionary schools cultivated a new incipient African intellectual and political leadership that would eventually gain control of the country and its cities.

As migration to the cities accelerated, these emerging revolutionary leaders protested the segregation policies. Initially the protests were peaceful, but later they would evolve into guerrilla movements and civil wars that lasted for more than a generation. The battleground often took place in areas known today as townships, located on the fringes of the large urban agglomerations.

After apartheid collapsed in 1994 with the inauguration of Nelson Mandela, South Africa was the last African country to gain its full independence. Migration to the cities accelerated during this period as Africans could now move around freely, own their own property, and find a path to upward mobility.

The great growth of cities such as Johannesburg and Cape Town took place in this period. Johannesburg in 1994, for example, had 2.29 million people, but today that population has grown to 7.4 million. Cape Town, with 1.9 million people in 1994, has ballooned into a mega-region with 4.6 million people. This growth was encouraged by South Africa's "honeymoon" decade, oduring which growth was between around 3 to 5 percent per year. By 2006, the black middle class was estimated to be as large as the white middle class.

## **Geographical Challenges**

Geography has played a defining and sometimes limiting role in the development of African cities. With a landmass nearly three times the size of Europe, Africa paradoxically has a coastline only one-third the length of Europe's. With no natural harbors or fully navigable rivers, Africa's geographic isolation slowed its historical development. Tropical diseases such as malaria and river blindness and cattle diseases such as those spread by tsetse flies also slowed contact between settlements.

The creation of new nations, if anything, made building a network of African cities difficult. Whereas the Mississippi River is entirely owned by the United States, the Nile River and its estuaries, which collectively is larger in length, forms the border of 10 countries and the lifeblood of capital cities such as Addis Ababa, Cairo, Kampala, Khartoum, and Kigali. Control of the river has often been the catalyst in regional disputes in southern and eastern Africa.

This marks a contrast with most great Western cities; Los Angeles, New York, Paris, Rome, San Francisco, and Sydney all have access to the sea, but African metropolises such as Johannesburg, Kinshasa, and Nairobi are found on high plateaus, often far from scarce water resources. These industrial hubs could be settled only after the introduction of the railway in the 18th century, forcing African cities to rely on geographically constrained supplies of water, food, and electricity.

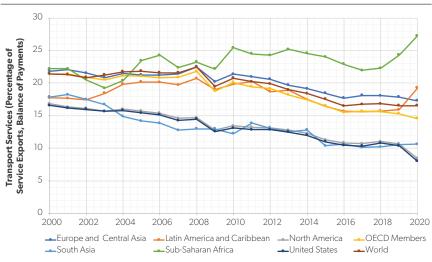


Figure 1. Transport Services (Percentage of Service Exports Balance of Payments) by Region, 2000-20

Source: World Bank Data.

From a geographical and ecological perspective, African countries require more investment in their infrastructure, which can put disproportionate burden on the national budget balance.

Figure 1 compares transport service exports by region. Sub-Saharan Africa spends around 27 percent of its gross domestic product (GDP) on transport services, whereas the Organisation for Economic Co-operation and Development (OECD) average is 16 percent, and the United States spends as low as 8 percent.13

# **Ideological Challenges: The West Versus China**

During the Cold War, many African countries took sides. As the period was nearing its end, the US rose to be the world's predominant superpower, with a largely neoliberal ideology that many African countries embraced not necessarily out of conviction but out of necessity.

In contrast with market-driven economies such as those implemented in Botswana, Kenya, Nigeria, and South Africa, the "socialist utopias" in

Africa did particularly poorly. Julius Nyerere's Umjamaa experiments that collectivized agriculture in Tanzania led the country into such a disaster that the International Monetary Fund had to bail it out. <sup>14</sup> In Zimbabwe, the Marxist-inspired policies adopted by Robert Mugabe quickly resulted in hyperinflation, land expiration, political oppression, genocide, and an exodus of refugees. <sup>15</sup> Much of the migrant labor has been toward market-driven cities such as Gaborone, Johannesburg, Lagos, and Nairobi, where employment is often found in the informal economy. This sector includes primarily street hawkers that trade inexpensive goods, handicrafts, or food items. The African Development Bank estimates that 55 percent of Africa's GDP and 80 percent of the labor force currently reside in this informal sector. <sup>16</sup>

More recently, African cities have felt China's growing influence. By embracing the Chinese mineral boom, African countries embraced an illiberal form of capitalism that concentrated wealth and power in few hands. After the end of apartheid in South Africa, the African National Congress (ANC) revolutionary fighters quickly enriched themselves in lavish rent-seeking "empowerment schemes." In Angola, the country's oil wealth is mostly still in the hands of the dos Santos family, and in Mozambique, no deal goes through if the political party is not involved.

The Chinese ascendancy also is giving African cities a new role model, complete with powerful social controls. Chinese construction companies, for example, have landed huge infrastructure contracts in Angola, Ethiopia, Lesotho, and Nigeria, and in 2020 they were responsible for 31.4 percent of the 121 infrastructure projects under construction in Africa.<sup>17</sup> In 2021, for the 12th consecutive year, China was Africa's largest trading partner, and from 2016 to 2020, total investment in infrastructure projects in Africa reached almost \$200 billion.<sup>18</sup>

The coastal cities of the Indian Ocean such as Dar es Salaam, Maputo, Mombasa, and Richards Bay all form part of China's String of Pearls grand naval strategy,<sup>19</sup> and the Asian giant has plans to expand its naval fleet to the Atlantic Ocean in harbors such as Namibia's Walvis Bay.<sup>20</sup> China's ambitions for Africa are not merely hypothetical, as already in 2005, the Chinese minority in Namibia exceeded the German descendants, and small concentrations of the diaspora can be found in the south of Johannesburg and throughout other parts of the continent.<sup>21</sup>

With the elevated level of infrastructure spending and naval ambitions underway, the future of Africa's cities may follow a more Chinese than Western script, serving largely as extensions of the Middle Kingdom. Democratic pretensions may still exist, but the Chinese-dominated future will not promote a liberal approach to urban growth.

## Institutional Challenges: Property Rights and the Rule of Law

What Africa lacks isn't a uniquely African ideology or solution; rather, fundamental basic institutions such as property rights, the rule of law, judicial effectiveness, and limited government intervention are necessary to create a growing middle class and a successful urban landscape.

Property rights are essential because they protect owners from interference in the hold on their assets, and as history has shown, the colonial regimes were aware of this phenomenon. Property rights reflect a largely universal moral injunction against theft, to be secure—as a matter of law and practicality—in the hold one has over one's assets. In certain parts of Africa, however, private ownership of property is continually undermined, and, in most cases, property rights are nonexistent when compared to the world average.

According to the Heritage Foundation's Index of Economic Freedom,<sup>22</sup> sub-Saharan African countries rank below the world average on three indexes that relate to rule of law: property rights, judicial effectiveness, and government integrity. Figure 2 compares rule-of-law metrics in sub-Saharan Africa to the world.

Table 1 compares the rights of women in sub-Saharan African countries, measuring five factors: whether men and women have equal rights to immovable property, whether sons and daughters have equal rights to inherit assets from their parents, whether female and male surviving spouses have equal rights to inherit assets, whether the law grants spouses equal administrative authority over assets during marriage, and whether the law provides for the valuation of nonmonetary contributions.

Ten of the measured countries have discriminatory property-ownership regimes, while 13 have discriminatory inheritance rights for children and

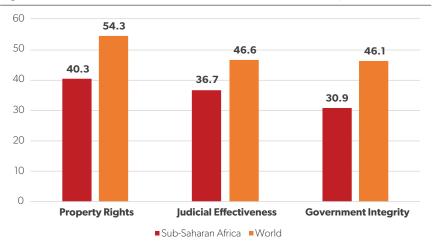


Figure 2. The Rule of Law in Sub-Saharan Africa and the World, 2021

Source: Heritage Foundation, "2021 Index of Economic Freedom," 2021, https://www.heritage.org/index.

13 have discriminatory inheritance rights for spouses. Eight countries grant differential rights to spouses in respect of control of family property.

In many instances, a combination of these factors coexists. In eight African countries—Comoros, Mauritania, Niger, Senegal, Somalia, South Sudan, Sudan, and Uganda—three or more exist simultaneously. In Mauritania, each of the five are found, giving it the lowest score for women's property rights on earth.<sup>23</sup>

In addition, each of the five North African countries that included women's formal property rights in sub-Saharan Africa—Algeria, Egypt, Libya, Morocco, and Tunisia—lacked equal treatment on three of the five measures as a logical condition for individual freedom and in resisting abuse by the more powerful in society. Only 16 sub-Saharan African countries have managed to achieve full legal parties: Angola, Burkina Faso, Cabo Verde, the Central African Republic, Côte d'Ivoire, Eritrea, Ethiopia, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Rwanda, São Tomé and Príncipe, South Africa, and Zimbabwe.<sup>24</sup>

But there are signs of progress. Botswana, for example, led the way to development when it decided, like Singapore, to not abandon but

Table 1. Women's Formal Property Rights in Sub-Saharan Africa

Country	Do men and women have equal rights to immovable property?	Do sons and daughters have equal rights to inherit assets from their parents?	Do female and male surviving spouses have equal rights to inherit assets?	Does the law grant spouses equal administrative authority over assets during marriage?	Does the law provide for the valuation of non-monetary contributions?	Score out of 100
Angola	Yes	Yes	Yes	Yes	Yes	100
Benin	Yes	Yes	Yes	Yes	No	80
Botswana	Yes	No	Yes	Yes	No	60
Burkina Faso	Yes	Yes	Yes	Yes	Yes	100
Burundi	Yes	No	No	Yes	Yes	60
Cabo Verde	Yes	Yes	Yes	Yes	Yes	100
Cameroon	No	Yes	Yes	No	Yes	60
Central African Rep.	Yes	Yes	Yes	Yes	Yes	100
Chad	No	Yes	Yes	No	Yes	60
Comoros	Yes	No	No	Yes	No	40
Congo, Dem. Rep.	No	Yes	Yes	No	Yes	60
Congo, Rep.	No	Yes	Yes	No	Yes	60
Côte d'Ivoire	Yes	Yes	Yes	Yes	Yes	100
Equatorial Guinea	No	Yes	Yes	No	Yes	60
Eritrea	Yes	Yes	Yes	Yes	Yes	100
Eswatini	Yes	No	No	Yes	Yes	60
Ethiopia	Yes	Yes	Yes	Yes	Yes	100
Gabon	No	Yes	Yes	No	Yes	60
Gambia	Yes	No	No	Yes	Yes	60
Ghana	Yes	Yes	Yes	Yes	No	80
Guinea	Yes	Yes	No	Yes	No	60
Guinea-Bissau	No	Yes	Yes	No	Yes	60
Kenya	Yes	Yes	No	Yes	Yes	80
Lesotho	Yes	No	Yes	Yes	Yes	80

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Table 1. Women's Formal Property Rights in Sub-Saharan Africa (continued)

Country	Do men and women have equal rights to immovable property?	Do sons and daughters have equal rights to inherit assets from their parents?	Do female and male surviving spouses have equal rights to inherit assets?	Does the law grant spouses equal administrative authority over assets during marriage?	Does the law pro- vide for the valuation of non- monetary contribu- tions?	Score out of 100
Liberia	Yes	Yes	Yes	Yes	No	80
Madagascar	Yes	Yes	Yes	Yes	Yes	100
Malawi	Yes	Yes	Yes	Yes	Yes	100
Mali	Yes	Yes	Yes	Yes	No	80
Mauritania	No	No	No	No	No	0
Mauritius	Yes	Yes	Yes	Yes	Yes	100
Mozambique	Yes	Yes	Yes	Yes	Yes	100
Namibia	Yes	Yes	Yes	Yes	Yes	100
Niger	No	No	No	Yes	No	20
Nigeria	Yes	Yes	Yes	Yes	No	80
Rwanda	Yes	Yes	Yes	Yes	Yes	100
São Tomé and Príncipe	Yes	Yes	Yes	Yes	Yes	100
Senegal	Yes	No	No	Yes	No	40
Seychelles	Yes	Yes	Yes	Yes	No	80
Sierra Leone	Yes	Yes	Yes	Yes	No	80
Somalia	Yes	No	No	Yes	No	40
South Africa	Yes	Yes	Yes	Yes	Yes	100
South Sudan	No	Yes	No	Yes	No	40
Sudan	Yes	No	No	Yes	No	40
Tanzania	Yes	No	No	Yes	Yes	60
Togo	Yes	Yes	Yes	Yes	No	80
Uganda	Yes	No	No	Yes	No	40
Zambia	Yes	Yes	Yes	Yes	No	80
Zimbabwe	Yes	Yes	Yes	Yes	Yes	100

Source: Authors.

strengthen the institutions the colonial government left them. Although small in population, the capital Gaborone has grown from 400,000 people in 1950 to 2.4 million today. A household survey in 2019 showed that in South Africa, slightly more than one-third (35.3 percent) of individuals owned dwellings, regardless of whether ownership was individual or shared. Ownership of dwellings was more common among women (20.6 percent) than males (15.8 percent).<sup>25</sup>

Most common may be the failure to recognize nonmonetary contributions in 19 sub-Saharan African countries. These include such activities as childcare or other notional "woman's work"—and the countries' lack of recognition as part of an economic contribution places women at a large disadvantage when, for example, marriages fail and estates are divided.

#### Decline in Investment

The development of cities—particularly given Africa's unique geographic challenges—requires high levels of investment from foreign and domestic investors. These investors require a level of certainty and security of their investments because building shopping centers, apartments, office spaces, and restaurants requires a longer-term investment horizon to make a profit, which can only be guaranteed through strong property rights. In the current legal and political situation, this is difficult, particularly for anything other than resource exploitation. This helps explain low levels of investment, of which South Africa, despite its head start and relatively high level of education, is a prime example.

Figure 3 tracks real gross fixed capital formation to GDP in South Africa from 1994 to 2020. From 1994 to 2008, South Africa's gross fixed capital formation increased from 16 percent to 24 percent as a proportion of GDP.26 This followed the heady early years of South Africa's democracy and those of the ANC administration under the leadership of Mandela and Thabo Mbeki. During this period, there were high levels of economic performance.

This economic performance improved living conditions for South Africans across all racial groups. The number of people employed doubled in 10 years, and access to formal housing, water, and electricity for cooking

Figure 3. Real Gross Fixed Capital Formation to GDP in South Africa, 1994–2020

Source: Data from the Bureau for Economic Research.

increased by an average of 180 percent.<sup>27</sup> During this time, South Africa had a fiscally prudent government and liberalized markets, while the country benefited from improved access to global markets and rising commodity prices.

Since the financial crisis of 2008–09, the South African economy under the administrations led by Jacob Zuma and Cyril Ramaphosa has fared poorly. Economic freedom has declined as state interventionism has increased. The growing role of the state has also opened increasing opportunities for corruption and self-enrichment, which members of the ANC administration and its associates have made liberal use of and which have imposed a heavy drag on the economy.

Over the past decade, there have been 1,890 reports of corruption complaints in seven metropolitan municipalities and three local municipalities, according to South Africa's Corruption Watch.<sup>28</sup> Close to 40 percent of reports are from Johannesburg, 19 percent are from Ekurhuleni, and 17 percent are from Tshwane. Corruption is also seen on a national level; the former chief procurement officer at the National Treasury has stated that "as much as 30% to 40% of Government's R600 billion goods and services budget is consumed by inflated prices by suppliers—and by fraud."<sup>29</sup>

Corruption, hostile policies such as expropriation policies, and ANC labor regulations have acted as taxes on investment, which have led to a decline in investment levels in the country. Gross fixed capital formation declined from 24 percent to 12 percent from 2008 to 2020, compared to the world average of 22 percent, the Western and Central African average of 27 percent, and the sub-Saharan African average of 22 percent, undoing the early success of the ANC administration. This was due partly to the ANC's continual undermining of property rights in country, which is still a continual risk.<sup>30</sup>

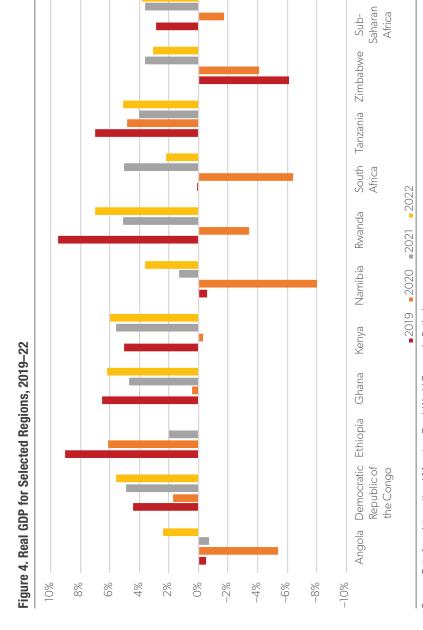
#### **Economic Performance**

The decline in investment levels in South Africa has left the country vulnerable to external shocks, illustrated by Figure 4, which tracks GDP performance of selected regions. GDP is an important measure of a country's economic health. A rising GDP indicates rising prosperity, with all the societal benefits that flow from it: People in wealthier countries are healthier, happier, and better educated.

The COVID-19 pandemic and the respective government response to the virus have hurt a significant number of African countries.<sup>31</sup> Figure 4 tracks real GDP in select African countries from 2019 to 2022, along with the sub-Saharan African region and overall emerging market economies as a whole. The largest decline was seen in Namibia with a GDP decline of 8 percent (projected to recover to 2.4 percent in 2022), while South Africa suffered a decline of 6.4 percent (2.2 percent in 2022) and Angola a decline of 5.4 percent (3.6 percent in 2022), compared to the sub-Saharan African decline average of 1.7 percent.

These economic performance levels are far below what is seen in the Democratic Republic of the Congo, Ghana, Kenya, Rwanda, and other emerging markets. A consequence of a massive decline and slow recovery in GDP is the stagnation of living standards and an increase in unemployment and poverty levels in Africa. At the same time, some developing countries such as China and India have continued to expand their GDP.

This can be seen in Figure 5, which tracks unemployment levels for selected African countries. When looking at unemployment levels, South Africa is a trend outlier even when compared to other African countries,



Source: Data from International Monetary Fund, World Economic Outlook.

Emerging Market and Developing Economies

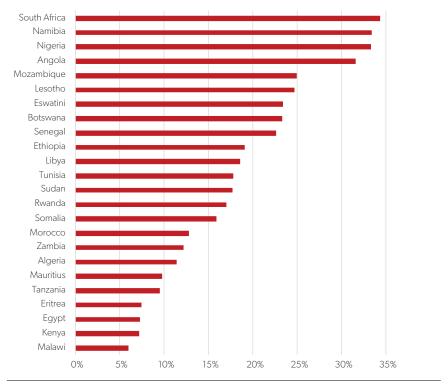


Figure 5. Unemployment Rates for Selected African Countries, 2021

Source: Data from Trading Economics.

with its massive unemployment rate of 34.4 percent and a youth unemployment figure of 75 percent.<sup>32</sup> This is a key factor that led to the July 2021 riots in the KwaZulu-Natal and Gauteng provinces, in which the jailing of former President Zuma sparked the violent protest action. Other countries that have large unemployment numbers are Namibia (33.4 percent), Nigeria (33.3 percent), Angola (31.6 percent), Mozambique (25 percent), and Lesotho (24.7 percent). These unemployment levels are far larger than what is seen in emerging and developed countries, which points to a stagnation in the middle class and a raise in economic exclusion primary among the young population.33

This reality shapes what is happening on the streets and neighborhoods of our cities, including the increase in violent protest and social unrest.

## **Terrorism Threats and Surging Crime**

The rise in economic exclusion in the young population raises the threat of terrorism, of which the Palma attack of March 2021 in Mozambique is an example. Mozambique should be understood through the prism of a rising tide of Salafi-jihadist activity in Africa. Salafi-jihadism is a brand of Sunni Islam that seeks to use violence to install fundamentalist administrations.

By our count, 14 African countries (Algeria, Burkina Faso, Cameroon, Chad, the Democratic Republic of the Congo, Côte d'Ivoire, Kenya, Libya, Mali, Morocco, Mozambique, Niger, Nigeria, and Somalia) face Salafijihadist insurgencies, while a further 10 (Benin, Egypt, Ethiopia, Ghana, Mauritania, Senegal, Sudan, Tanzania, Togo, and Uganda) are vulnerable to developing insurgencies. Collectively, these countries house 73 percent of Africa's surface area, 69 percent of its population, and 53 percent of its GDP.

The insurgencies demonstrate deep ties to al Qaeda and the Islamic State. Given the scope and speed of insurgent expansion, Africa could become the world's fastest-expanding terror frontier without strong institutions and raising living standards. This will unfortunately be a significant obstacle for urban development.

# Declining Living Standards and Social Unrest

South Africa has shared in the increase in violence and instability. The country demonstrates very high levels of violent protest action on any given day of the week; according to the South African Police Service data, there are 10 violent protest instances per day, and these levels have risen by over 400 percent over the past decade. In Figure 6, we compare South Africa's GDP per capita and the proportion of protests that were violent from 1994 to 2020. As the country demonstrated substantive growth in GDP per capita from \$4,221.98 in 1994 to \$5,640.02 in 2008, there was a decline in violent protests from 14.2 percent in 1997 to 9.5 percent in 2007.

Consequently, after the global financial crises, a decade of hostile policies, and the 2020 lockdown, living standards have drastically declined to the point where 2020 GDP per capita is lower than in 2007, while violent

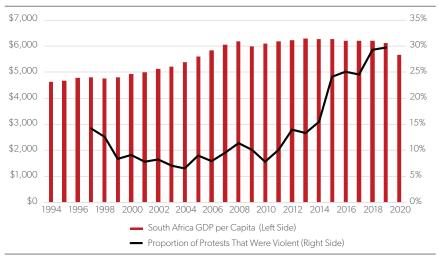


Figure 6. South Africa GDP per Capita and Proportion of Violent Protests, 1994-2020

Source: Authors' research using World Bank national accounts data and Organisation for Economic Co-Operation and Development National Accounts data files, South African Police Service.

protests have increased from 9.5 percent to 29.7 percent in 2019. These protests include torching trains, closing highways, committing xenophobic attacks, looting municipal infrastructure, and burning private businesses, all of which are detrimental to South African infrastructure. This type of action has become so prevalent that it no longer makes headlines in South African media, nor are the police able to maintain law and order, which has led to an increase in gated communities and community watchdogs. In 2017, surveys suggested that one in 10 South Africans consider gated communities when buying their own home.34

The country continues to experience unchecked corruption, especially at the local government level; failing schools; massive unemployment; and no real growth in GDP per capita for more than a decade (which can be seen in Figure 6), leading many people to have a sense of desperation. In our judgment, there is no prospect to change course from a government policy perspective to substantively address this desperation.

The South African government is weakening and rapidly losing its ability to govern the country—let alone enforce order. The security forces are undisciplined, unmotivated, and poorly led and possess neither the numbers nor the professionalism to safely manage incidents of public violence. Threats only work if they are carried through, and when the state threatens over and over that there will be consequences for looting and violence and these consequences fail to materialize, the effect is to embolden looters and criminal elements.

Confidence in political parties broadly has slumped: In the latest local elections, only 30 percent of the population voted. This is partly a function of media denigration of the political opposition. Consequently, people start to look for alternatives outside the formal political order to address their socioeconomic frustrations.

The combination of lack of economic growth, declining living standards, poor education and governance, and a rise in social unrest in the country may be detrimental to the prospect of developing cities in South Africa. If other African countries continue to follow the same path as that of South Africa—with some in worse condition than South Africa—this will hinder the prospects for greater prosperity.

#### Conclusion

South Africa, like other countries throughout the continent, faces a considerable number of obstacles to overcome. But the situation is far from hopeless. In sharp contrast to the aging populations in cities throughout the West and East Asia, the population is relatively young, and opinion polls constantly show a decline in support for overreaching governments.<sup>35</sup>

The first large wave of urbanization could also forge a new generation that has come of age without the tribal, racial, and linguistic loyalties that divided the previous generations. Political heterodoxy is on the rise. In the 2021 municipal elections, the ANC government dropped below 50 percent for the first time, indicating that revolutionary ideology is taking second place over the need for good governance and pragmatism.

South Africa's challenges remain modernizing its infrastructure, overcoming its unique geographic obstacles, addressing the elevated levels of crime, integrating the influx of migrants from other African countries, and offering most of its poor the opportunity to enter the middle class. How South Africa's cities fare is important for not just our country but all of Africa. If the Rainbow Nation, with its considerable head start, cannot build a successful pluralistic urban future, then the chance for the rest of the continent to overcome the architecture of poverty remains a poor one.

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