“Aviation in Africa” & 13th Aviation Student Research Workshop
30th June to 2nd July 2016, Bremen

Presentation by Professor Emeritus Dr. Karl Wohlmuth, University of Bremen, Faculty of Economics and Business Studies, Director of the Research Group on African Development Perspectives Bremen

Title of Presentation: New Growth and Poverty Alleviation Strategies – Spatial Development Matters

Thursday, June 29th 2016, Session I: New Strategies for Inclusive Economic Growth in Africa I, Workshop organized by the Centre for Public Management of the City University of Applied Sciences Bremen in cooperation with Airmeth, G.A.R.S., Hogeschool van Amsterdam
New Growth and Poverty Alleviation Strategies – Spatial Development Matters
Thursday, June 29th 2016, Session I: New Strategies for Inclusive Economic Growth in Africa I

1. Introduction
2. Aviation In Africa and Inclusive Economic Growth
3. Inclusive Growth and Spatial Development
5. Towards Inclusive Spatial Development in Africa
6. Conclusions
New Growth and Poverty Alleviation Strategies – Spatial Development Matters

1. Introduction

So far the prospects of Aviation in Africa were considered in the context of economic growth, but not with regard of inclusive economic growth. This makes a big difference. Although the discussion about inclusive economic growth is theoretically and empirically advancing, the focus is on the pace and the pattern of growth, but the space where growth takes place is still neglected.

Neglecting the spatial dimensions of inclusive economic growth has severe consequences – for balanced development and the alleviation of poverty.
New Growth and Poverty Alleviation Strategies – Spatial Development Matters

1. Introduction

But what is “inclusive economic growth”? According to UNDP’s Chief Economist four dimensions are important:

“Growth is inclusive when it takes place in the sectors in which the poor work, occurs in places where the poor live, uses the factors of production that the poor possess, and reduces the prices of consumption items that the poor consume” (UNDP Chief Economist, Thangavel Palanivel, 2015). The main issue is: How to reach the poor to “participate in growth” and to get “equality of opportunity”. 
New Growth and Poverty Alleviation Strategies – Spatial Development Matters

2. Aviation In Africa and Inclusive Economic Growth

Yamoussoukro Declaration (YD): The Declaration of 1988 and the Decision of 1999 paved the way for the liberalisation of African air services towards realising “open skies in Africa” and establishing a “single air transport market in Africa”. However, the implementation dates were postponed to 2002 and to 2017.

African Union Summit January 2015: Only 11 out of the 53 AU members re-committed themselves to have the YD implemented by 2017, 15 years beyond the second deadline of 2002. And the barriers to competition are rising.
New Growth and Poverty Alleviation Strategies – Spatial Development Matters

2. Aviation In Africa and Inclusive Economic Growth

Blocked Progress of Air Services Liberalisation in Africa despite of new drivers:

Acceleration of Growth in Africa;
Growing Middle Classes all over Africa;
Strengthened Regional Economic Integration in Africa;
Increasing Global Integration of Africa into Trade, Services, Investment and Value Chains; and
South-South Links are also becoming more important.
New Growth and Poverty Alleviation Strategies – Spatial Development Matters

2. Aviation In Africa and Inclusive Economic Growth

All these arguments about important new drivers of a growing aviation business in Africa have to be assessed quite critically:

**Acceleration of Growth in Africa:** Growth is uneven, based on Poor Numbers which refer mostly to formal sectors and international transactions, and this has little to do with Inclusive Growth;

**Growing Middle Classes all over Africa:** This argument leaves just out the huge number of rich income earners/asset holders, and is based on highly diverse definitions and measurement methods;
New Growth and Poverty Alleviation Strategies – Spatial Development Matters

2. Aviation In Africa and Inclusive Economic Growth

**Strengthened Regional Economic Integration in Africa:**
Progress in Regional Economic Communities (RECs) is highly uneven, policies are basically top down, the integration process is not transformative, and largely based on drafting documents and treaties; **Increasing Global Integration of Africa into Trade, Services, Investment and Value Chains:** The shares of Africa in global values are still very small, while landlocked countries and remote areas are not significantly integrated; **South-South Links are becoming important:** agenda for future services trade.
The Classical Model to estimate the Effects of Liberalisation in Air Services on Economic Growth, Enhanced Productivity and Job Growth leaves out all issues of inclusive spatial development (ISD): The “Gravity Model” used looks at “Traffic” as being dependent on GDP of countries A and B which are connected with bilateral agreements, Service Trade between countries A and B, Intervening Factors affecting traffic between A and B, and Bilateral Agreement Factors for A and B. But it is not of interest which regions and groups of people may benefit.
New Growth and Poverty Alleviation Strategies – Spatial Development Matters

2. Aviation In Africa and Inclusive Economic Growth (InterVISTAS, July 2014)

It is not of interest if liberalisation favours remote areas, cross-border regions, regions with high unemployment and poverty, and regions with different economic bases. It is also not relevant if countries A and B are part of a REC.

There is also no reference to the Impacts of establishing the Single Air Transport Market based on the Nine Freedoms: While the freedoms one to five refer basically to traffic directed to capital cities, the freedoms six to nine may have implications for spatial and regional development. Regional value chains in Africa may benefit.
It is not of interest if liberalisation favours remote areas, cross-border regions, regions with high unemployment and poverty, and regions with different economic bases. It is also not relevant if countries A and B are part of a REC. There is also no reference to the impacts of establishing the Single Air Transport Market based on the Nine Freedoms: While the freedoms one to five refer to traffic directed to capital cities, the freedoms six to nine may have implications for spatial development in countries A and B. The whole rural-urban continuum is then included.
It is not of interest if liberalisation favours remote areas, cross-border regions, regions with high unemployment and poverty, and regions with different economic bases. It is also not relevant if countries A and B are part of a REC. There is also no reference to the impacts of establishing the Single Air Transport Market based on the Nine Freedoms: While the freedoms one to five refer to traffic directed to capital cities, the freedoms six to nine may have implications for spatial development in countries A and B. The whole rural-urban continuum is then included.

**All 12 Countries**

- **Passengers**: +4.9 Million
- **Consumer Benefits**: US$ 1,023M
- **Jobs**: 155,100
- **GDP**: US$ 1,297M

All financial figures are in 2013 prices.

CB = Consumer Benefits, measured in terms of consumer surplus.
New Growth and Poverty Alleviation Strategies – Spatial Development Matters

2. Aviation In Africa and Inclusive Economic Growth

Aviation in Africa can contribute to inclusive growth via inclusive spatial development policies:

- Reaching out to remote and inaccessible areas;
- Supporting protection of nature via Eco-Tourism;
- Reaching the vulnerable and the poor in crisis and conflict areas;
- Serving mid-sized towns in the rural-urban continuum;
- Supplying Essential Goods in Case of Disaster.
New Growth and Poverty Alleviation Strategies – Spatial Development Matters

3. Inclusive Growth and Spatial Development

Inclusive Growth (IG) is increasingly focussed on, but with quite diverse approaches (definitions and measurement): There is an overwhelming focus on poverty reduction and redistribution, but also on new growth patterns which enlarge the economy via structural transformation. Creating productive employment, opportunities to have better access to growth factors, empowerment, social protection, good governance, access to infrastructure, and other factors are as well mentioned, but there is still a serious lack of a comprehensive concept.
3. Inclusive Growth and Spatial Development
From: Ranieri/Ramos 2013, IPC-IG, p. 18

Definitions of Inclusive Growth: Summary of Key Elements

<table>
<thead>
<tr>
<th></th>
<th>Poverty</th>
<th>Inequality</th>
<th>Growth</th>
<th>Productive Employment</th>
<th>Capabilities / Improvement</th>
<th>Gender Inequality</th>
<th>Access to Infrastructure</th>
<th>Social Protection</th>
<th>Finance</th>
<th>Targeted Policies</th>
<th>Basic Social Services</th>
<th>Good Governance</th>
<th>Opportunity</th>
<th>Barriers for Investment</th>
<th>Benefits of Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ravallion and Chen (2003)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bhalla (2007)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ianchoyichina and Lundström (2009)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Habito (2009)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kakwani and Pernia (2000)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>White and Anderson (2001)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kakwani, Khandker and Son (2004)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Son and Kakwani (2008)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kraay (2004)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ali and Son (2007)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Son and Kakwani (2008)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Klasen (2010)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rauniyar and Kanbur (2010)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>McKinley (2011)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Inclusive Growth (IG) is measured by focussing on various groups of factors and indicators, but spatial inclusion factors and indicators are scarce. The available inclusive growth frameworks and indexes cover quite different groups of indicators. The World Economic Forum’s “Inclusive Growth and Development Framework” has seven pillars, and six of them have to do with the question how inclusive growth outcomes can be delivered by market activity. Pillar Seven only is on fiscal transfers, dealing with tax codes and social protection.
3. Inclusive Growth and Spatial Development
From: Global Competitiveness Report 2015-2016, Box 1

Inclusive Growth (IG) is measured by focusing on various groups of factors and indicators, but spatial inclusion factors and indicators are scarce. The available inclusive growth frameworks and indexes cover quite different groups of indicators.

The World Economic Forum’s “Inclusive Growth and Development Framework” has seven pillars, and six of them have to do with the question how inclusive growth outcomes can be delivered by market activity. Pillar Seven only is on fiscal transfers, dealing with tax codes and social protection.

New Growth and Poverty Alleviation Strategies – Spatial Development Matters

3. Inclusive Growth and Spatial Development

The African Development Bank (AfDB) has used more conventional categories of indicators for its Inclusive Growth Index (IGI): The eight categories (Growth, Health and Demographics, Labour Force and Employment, Gender, Education, Sanitation, Inequality, and Governance) with thirteen indicators are conventional. The greatest weakness is the lack of spatial development indicators (spatial inequality, urban-rural continuum, agglomeration effects, spatial planning modules, economic geography of countries and regions, role of intermediate cities, etc.).
### 3. Inclusive Growth and Spatial Development

From: AfDB 2013, p. 27

#### Table 20: Indicators Used for Computation of Inclusive Growth Index

<table>
<thead>
<tr>
<th>Broad Categories</th>
<th>Specific Indicators ($S_j$)</th>
<th>No of countries in the Dataset ($m_j$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Growth</td>
<td>1. Real GDP Growth</td>
<td>194</td>
</tr>
<tr>
<td></td>
<td>2. Real per capita GDP Growth</td>
<td>194</td>
</tr>
<tr>
<td>Health and Demographics</td>
<td>3. Public Health Expenditure (% GDP)</td>
<td>187</td>
</tr>
<tr>
<td></td>
<td>4. Mortality Rate Under-5 (per 1,000)</td>
<td>193</td>
</tr>
<tr>
<td></td>
<td>5. Life Expectancy at Birth</td>
<td>196</td>
</tr>
<tr>
<td></td>
<td>6. Tuberculosis (per 100,000 people)</td>
<td>202</td>
</tr>
<tr>
<td>Labour Force and Employment</td>
<td>7. Wage &amp; Salaried (% of total employment)</td>
<td>92</td>
</tr>
<tr>
<td></td>
<td>8. Employment-to-Population Ratios (% of 15+)</td>
<td>173</td>
</tr>
<tr>
<td>Gender</td>
<td>9. Female Labour Force (% of total workforce)</td>
<td>184</td>
</tr>
<tr>
<td>Education</td>
<td>10. Ratio of Female to Male Secondary Enrolment (%)</td>
<td>163</td>
</tr>
<tr>
<td>Inequality</td>
<td>12. Gini Index</td>
<td>99</td>
</tr>
<tr>
<td>Governance</td>
<td>13. Corruption Perceptions Index</td>
<td>179</td>
</tr>
</tbody>
</table>
New Growth and Poverty Alleviation Strategies – Spatial Development Matters

3. Inclusive Growth and Spatial Development

More than this, the African Development Bank (AfDB) has presented the Africa Infrastructure Development Index (AIDI): AIDI became part of the Inclusive Growth Index for Africa (by M. Ncube for AfDB). This Index has four components (Transport, Electricity, ICT, and Water and Sanitation). The Inclusive Growth Index for Africa (IGIA) covers four dimensions of inclusion (economic inclusion, social inclusion, spatial inclusion, and political/institutional inclusion). Although Spatial Inclusion is part of the Index, the national data are of use only for country comparisons.
New Growth and Poverty Alleviation Strategies – Spatial Development Matters

3. Inclusive Growth and Spatial Development

Economic Inclusion has components such as Poverty/Inequality, Productive Employment, Economic Infrastructure, Agriculture, and Gender Equity. Social Inclusion has various dimensions of Social Infrastructure (health, education, water and sanitation). Political/Institutional Inclusion has indicators for Participation and Governance, Property Rights, Public Revenues and Public Investment. Spatial Inclusion covers Intra-regional Trade, Regional Labour Mobility, Openness to Trade, Spatial Inequality, and Access to Infrastructure.
New Growth and Poverty Alleviation Strategies – Spatial Development Matters

3. Inclusive Growth and Spatial Development

Developing inclusive spatial development policies:

Much more is needed, especially by considering sub-regional spatial development issues as intra-state and intra-regional spatial inequalities are huge and request a consideration in overall spatial policies. Information along the whole rural-urban continuum is needed. The Missing Middle of Intermediary Cities is an important issue in this context, as mid-sized cities are of importance for poverty reduction policies through labour market instruments. The African Economic Outlook 2015 is rich on suggestions.
### Table 1.2. Simplified definitions of regional scales and policies

<table>
<thead>
<tr>
<th>SCALE</th>
<th>DEFINITION</th>
<th>POLICIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supranational region</td>
<td>Territory of an international organisation (e.g. Economic Community of West African States)</td>
<td>Economic and social policies for integration and economic corridors.</td>
</tr>
<tr>
<td>National territory</td>
<td>Jurisdiction of a country</td>
<td>Policies for transfers, policy co-ordination, urbanisation, credit, education, training and health.</td>
</tr>
<tr>
<td>Sub-national region</td>
<td>Spatial unit within a country created to manage specific needs (e.g. Volta, Ghana)</td>
<td>Policies for services and investments in research and development.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Policies for poles of growth, for transport and communication infrastructure linking rural and urban areas, for specific resources activation, and for special economic zones.</td>
</tr>
<tr>
<td>Cross-border region</td>
<td>Spatial unit created to manage issues that cross national borders (e.g. SKBo)</td>
<td>Policies related to cross-border issues.</td>
</tr>
<tr>
<td>City or neighbourhood</td>
<td>A place at the scale that people actually experience.</td>
<td>Policies that promote the local economy, urban planning, and citizens’ and local leaders’ participation in and management of local issues.</td>
</tr>
</tbody>
</table>
3. Inclusive Growth and Spatial Development

From: African Economic Outlook 2015, p. 19

Figure 1.5. Projected workforce growth in sub-Saharan Africa, North Africa, China, India, Europe and the United States, 2010-50

Source: UNDESA (2012).
StatLink [http://dx.doi.org/10.1787/888933206889]
3. Inclusive Growth and Spatial Development

From: McKinsey 2012, p. 5

Exhibit E3
If Africa accelerated job creation, it could create 72 million additional stable jobs by 2020

Additional wage-paying stable jobs, 2010–201

<table>
<thead>
<tr>
<th>Million</th>
<th>Agriculture</th>
<th>Manufacturing</th>
<th>Retail and hospitality</th>
<th>Government and social services</th>
<th>Other</th>
<th>Potential</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>15</td>
<td>15</td>
<td>18</td>
</tr>
<tr>
<td>Identified upside</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>72</td>
</tr>
<tr>
<td>Business as usual</td>
<td>14</td>
<td>13</td>
<td>5</td>
<td>15</td>
<td></td>
<td>54</td>
</tr>
</tbody>
</table>

| % of total potential | 19 | 21 | 19 | 21 | 21 |


NOTE: Numbers may not sum due to rounding.

SOURCE: McKinsey Global Institute analysis
3. Inclusive Growth and Spatial Development
From: African Economic Outlook 2015, p. 41

Table 1.A2.1. Inequality levels in 37 African countries

<table>
<thead>
<tr>
<th>Period</th>
<th>Average Gini coefficient for assets</th>
<th>Component due to spatial inequality</th>
<th>Component due to inequality of opportunities</th>
<th>Component due to other factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before 1995</td>
<td>0.42</td>
<td>0.37</td>
<td>0.11</td>
<td>0.52</td>
</tr>
<tr>
<td>1996-2000</td>
<td>0.43</td>
<td>0.34</td>
<td>0.13</td>
<td>0.53</td>
</tr>
<tr>
<td>2001-05</td>
<td>0.38</td>
<td>0.32</td>
<td>0.13</td>
<td>0.54</td>
</tr>
<tr>
<td>2006-09</td>
<td>0.40</td>
<td>0.34</td>
<td>0.14</td>
<td>0.51</td>
</tr>
<tr>
<td>2010-13</td>
<td>0.44</td>
<td>0.39</td>
<td>0.13</td>
<td>0.47</td>
</tr>
</tbody>
</table>

Source: Shimeles and Nabassaga (forthcoming).
“Missing Middle” in Intermediary Cities and in Enterprises: From the demographic situation in Africa with an expected increase of the workforce by 830 millions through 2010-2050 we see that even in case of pro-active governmental labour absorption policies only a share of this additional workforce can be employed on a stable basis. This will impact on the development of metropoles via “metropolisation” and on rural centres and small towns via “diffused local growth“. The relative stagnation of medium-sized cities (200,000 to 1 million people) is a major problem.
3. Inclusive Growth and Spatial Development

From: African Economic Outlook 2015, p.44

Figure 1.A3.2. Relationship between extractive rents and territories

Source: Adapted from Magrin (2013).
3. Inclusive Growth and Spatial Development

From: African Economic Outlook 2015, p.46

Figure 1.A3.5. Share of Africa’s urban population by size of agglomeration, 2010

Source: UNDESA (2014).
StatLink http://dx.doi.org/10.1787/888933206980
“Missing Middle” in Intermediary Cities and in Enterprises: Activity of business firms in Africa shows by size a concentration at the top with few internationally competitive firms and a strong sector concentration of a few large and dominant firms. At the bottom we see a huge number of survival firms with necessity-driven entrepreneurs (informal and formal sector microenterprises and SMEs). The “Missing Middle of Enterprises” has also to do with the “Missing Middle in Intermediary Cities” as these cities have a huge role as local labour market exchanges.
3. Inclusive Growth and Spatial Development
From: African Economic Outlook 2015, p.49

Table 1.3.1. The different urban functions of intermediary cities

<table>
<thead>
<tr>
<th>Urban function</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regional market</td>
<td>The intermediary city is the main location for producing and exchanging goods and services in local and regional economies.</td>
</tr>
<tr>
<td>Service centre</td>
<td>The intermediary city offers public and private services to its community and the surrounding population.</td>
</tr>
<tr>
<td>Regional capital</td>
<td>The intermediary city hosts regional or national political and administrative institutions.</td>
</tr>
<tr>
<td>Tourist centre</td>
<td>The intermediary city promotes activities linked to domestic or international tourism.</td>
</tr>
<tr>
<td>Communication hub</td>
<td>The intermediary city acts as a platform for moving people, goods and information.</td>
</tr>
<tr>
<td>Economic location</td>
<td>The intermediary city holds a strategic role in the national, regional and global economies thanks to its geographic location and development strategy (e.g. duty-free zone).</td>
</tr>
</tbody>
</table>

Source: Adapted from Song (2013).
3. Inclusive Growth and Spatial Development

From: Cooperative Governance South Africa, 2014, p. 19

“Missing Middle” in Intermediate Cities and Enterprises:

From the demographic situation in Africa with an expected increase of the workforce by 830 million through 2010-2050 we see that even in case of proactive governmental labour absorption policies only a relatively small share of this additional workforce can be employed. This will impact on the development of metropoles via “metropolisation” and on rural centres and small towns via “diffused local growth.” The relative stagnation of medium-sized cities (200,000 to 1 million people) is a major problem.

Source: Adapted from United Nations, 2005, cited in Ndabeni, L. 2013. An analysis of rural-urban linkages and their implications for policies that sustain development in a space continuum. A research paper as input into the preparation of the IUDF.
3. Inclusive Growth and Spatial Development

Inclusive spatial development (ISD) requires that the rural-urban continuum is regarded as the basis for strategic planning, policies and development action. The policy approaches for spatial planning, territorial planning, urban and regional planning are of relevance for inclusive growth in Africa only if the policies reach the cities between the metropoles/capital cities and the small towns/rural villages. The evidence presented by the African Economic Outlook editions 2015 and 2016 and the seven country cases presented in this workshop show this clearly.

**South Sudan:** Ignoring Spatial Interdependence

**Nigeria:** Ignoring Spatial Dependence

**Tunisia:** Incoherent Spatial Development Policies

**South Africa:** An Integrated and Inclusive Spatial Vision?

**Zimbabwe:** Unexpected Spatial Inclusion?

**Uganda:** Towards Inclusive Spatial Planning?

**Ethiopia:** Is Inclusive Spatial Planning in the Making?

South Sudan: Ignoring Spatial Interdependence

Ignoring Spatial Interdependence: The government of South Sudan has since 2005 (Autonomy) and the more since 2011 (Independence) mostly failed with regard of agricultural development and food security policies. There is a strong correlation between food insecurity, poverty and civil conflict in South Sudan. The country is richly endowed with fertile land (called a “Breadbasket” of the region), but millions of people depend on humanitarian assistance and on food imports via Uganda and Kenya. The potential of the food surplus areas is not exploited (no spatial vision!)
South Sudan: Ignoring Spatial Interdependence

The government of South Sudan has since 2005 (Autonomy) and the more since 2011 (Independence) mostly failed with regard of agricultural development and food security policies. There is a strong correlation between food insecurity, poverty and civil conflict in South Sudan. The country is richly endowed with fertile land (called a “Breadbasket” of the region), but millions of people depend on humanitarian assistance and on food imports via Uganda and Kenya. The potential of the food surplus areas is not exploited (no spatial vision!)

South Sudan: Ignoring Spatial Interdependence

The government of South Sudan has since 2005 (Autonomy) and since 2011 (Independence) mostly failed with regard of agricultural development and food security policies. There is a strong correlation between food insecurity, poverty and civil conflict in South Sudan. The country is richly endowed with fertile land (called a "Breadbasket" of the region), but millions of people depend on humanitarian assistance and on food imports via Uganda and Kenya. The potential of the food surplus areas is not exploited (no spatial vision!).

South Sudan: Ignoring Spatial Interdependence

The government of South Sudan has since 2005 (Autonomy) and the more since 2011 (Independence) mostly failed with regard of agricultural development and food security policies. There is a strong correlation between food insecurity, poverty and civil conflict in South Sudan. The country is richly endowed with fertile land (called a "Breadbasket" of the region), but millions of people depend on humanitarian assistance and on food imports via Uganda and Kenya. The potential of the food surplus areas is not exploited (no spatial vision!)
South Sudan: Ignoring Spatial Interdependence

The government of South Sudan has since 2005 (Autonomy) and the more since 2011 (Independence) mostly failed with regard of agricultural development and food security policies. There is a strong correlation between food insecurity, poverty and civil conflict in South Sudan. The country is richly endowed with fertile land (called a "Breadbasket" of the region), but millions of people depend on humanitarian assistance and on food imports via Uganda and Kenya. The potential of the food surplus areas is not exploited (no spatial vision!).
South Sudan: Ignoring Spatial Interdependence

The government of South Sudan has since 2005 (Autonomy) and since 2011 (Independence) mostly failed with regard to agricultural development and food security policies. There is a strong correlation between food insecurity, poverty and civil conflict in South Sudan. The country is richly endowed with fertile land (called a "Breadbasket" of the region), but millions of people depend on humanitarian assistance and on food imports via Uganda and Kenya. The potential of the food surplus areas is not exploited (no spatial vision!).

**Ignoring Spatial Dependence:** The pattern of poverty in Nigeria reveals strong neighbourhood effects. Poverty reduction (or increase) in one region impacts on poverty in neighbouring ones. Therefore, only integrated poverty reduction strategies will be successful (at the level of states, senatorial districts and local government units). But also within states (richer and poorer ones) there is a quite diverse spatial development pattern. Disadvantaged and privileged areas are side by side. The case of Lagos State shows that spatial visions and development policies matter.
Ignoring Spatial Dependence: The pattern of poverty in Nigeria reveals strong neighbourhood effects. Poverty reduction (or increase) in one region impacts on poverty in neighbouring ones. Therefore, only integrated poverty reduction strategies will be successful (at the level of states, senatorial districts and local government units). But also within states (richer and poorer ones) there is a quite diverse spatial development pattern. Disadvantaged and privileged areas are side by side. The case of Lagos State shows that spatial visions and development policies matter.
Ignoring Spatial Dependence: The pattern of poverty in Nigeria reveals strong neighbourhood effects. Poverty reduction (or increase) in one region impacts on poverty in neighbouring ones. Therefore, only integrated poverty reduction strategies will be successful (at the level of states, senatorial districts and local government units). But also within states (richer and poorer ones) there is a quite diverse spatial development pattern. Disadvantaged and privileged areas are side by side. The case of Lagos State shows that spatial visions and development policies matter.

Source: Result of Analyzed Data (2010)

Figure 1.6. Local Indicator of Spatial Association (LISA) Map for Significant Spatial Pattern
Ignoring Spatial Dependence: The pattern of poverty in Nigeria reveals strong neighbourhood effects. Poverty reduction (or increase) in one region impacts on poverty in neighbouring ones. Therefore, only integrated poverty reduction strategies will be successful (at the level of states, senatorial districts and local government units). But also within states (richer and poorer ones) there is a quite diverse spatial development pattern. Disadvantaged and privileged areas are side by side. The case of Lagos State shows that spatial visions and development policies matter.
Ignoring Spatial Dependence: The pattern of poverty in Nigeria reveals strong neighbourhood effects. Poverty reduction (or increase) in one region impacts on poverty in neighbouring ones. Therefore, only integrated poverty reduction strategies will be successful (at the level of states, senatorial districts and local government units). But also within states (richer and poorer ones) there is a quite diverse spatial development pattern. Disadvantaged and privileged areas are side by side. The case of Lagos State shows that spatial visions and development policies matter.

Incoherent Spatial Development Policies: Despite of huge investment benefits for the “hinterland” regions spatial inequality is still a major problem. The regional divergences in income, living standards, poverty levels, entrepreneurial activity, investment and unemployment remain significant. Poverty is concentrated in rural areas, but agricultural policies were not adapted accordingly. Regional concentration of economic activity has further increased. Industrial development policies were not supported by policies to improve infrastructure and basic services.

Table 9.5: Winners and Losers from a Reform of Agricultural Policies in Tunisia

<table>
<thead>
<tr>
<th>Farm</th>
<th>Change in gross margin</th>
<th>% of total farms</th>
<th>% of the arable area</th>
<th>Type of farm</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farms benefiting from the liberalization</td>
<td>Gain from 55 to 294%</td>
<td>41</td>
<td>30</td>
<td>Olive oil, Off season Horticulture (Gabes) Citrus (Nabeul)</td>
</tr>
<tr>
<td>Farms the profitability of which would be more or less the same</td>
<td>Gain of 47%</td>
<td>42</td>
<td>41</td>
<td>Arboriculture and sheep rearing (Central and South) Irrigated farms</td>
</tr>
<tr>
<td>Farms loosing from liberalization</td>
<td>Loss from 1 to 79%</td>
<td>16</td>
<td>30</td>
<td>Cereal farms (North and North West)</td>
</tr>
</tbody>
</table>

Source: Linear Programming modelling results, World Bank (2006)

Some interior governorates (Tozeur and Medenine) became even less diversified (more specialized in agro-food industry). This makes the interior regions more vulnerable to demand and supply shocks, in terms of value added, public revenues, and employment. The specialization level and the human development level are much lower in the internal regions, and the chances for reindustrialization depend on newly designed, locally based, nationally backed, and proactive industrial policies. The lessons from the past failures have to be learned.

Figure 4.1: Geographic Distribution of Incentives Granted under the Investment Incentives Code, 2008-2011 (TND million)

Source: Ministère du développement et de la coopération internationale (MDCI)

Some interior governorates (Tozeur and Medenine) became even less diversified (more specialized in agro-food industry). This makes the interior regions more vulnerable to demand and supply shocks, in terms of value added, public revenues, and employment. The specialization level and the human development level are much lower in the internal regions, and the chances for reindustrialization depend on newly designed, locally-based, nationally-backed, and pro-active industrial policies. The lessons from the past failures have to be learned.
Tunisia has huge potentials for reindustrialization, but they can be activated only on the basis of new industrial policies: The Industrial Strategy with Horizon 2016 is ambitious, but not more than a list of hopes and expectations. Much more is needed – an approach combining capabilities, sector-specific networks and spatial impacts. It is a task to identify sectors with opportunities, innovation potential, and benefits for neglected regions. Such an approach was outlined on the basis of an Innovation Investment Index, but it has to be implemented.
South Africa is aiming towards an integrated spatial vision and spatial planning process, but the spatial development policies are not yet inclusive: There is a great number of spatial planning documents (visions, strategies, plans) for urban and rural areas, but progress with regard of inclusive spatial development policies is rather limited. “Metropolisation” on the one side and “diffuse local growth” on the other side continue all over South Africa. Spatial planning is more of the type of traffic and transport planning, but not related to the poverty map.
South Africa is aiming towards an integrated spatial vision and spatial planning process, but the spatial development policies are not yet inclusive: There is a great number of spatial planning documents (visions, strategies, plans) for urban and rural areas, but progress with regard of inclusive spatial development policies is rather limited. Metropolisation on the one side and diffuse local growth on the other side continue all over South Africa. Spatial planning is more of the type of traffic and transport planning, but not related to the poverty map.
Recent developments in Zimbabwe show that spatial inclusion is becoming reality in some areas, despite the serious economic problems of the country: “Growth points”, being rural or urban settlements with development potential, were thought to qualify for investment. The experiences with the 55 growth points were not satisfactory, but there are now signs of revitalizing this instrument. Parallel to this we see that small towns near land reform resettlement areas are booming, and that these towns are also connecting with larger urban centres.

Inclusive spatial planning in Uganda? Uganda has a very ambitious Vision 2040, and other planning documents too. Despite reductions in poverty all over the country, the Central Region is best placed in the competition for resources. The rural-urban divide is increasing, so that “metropolisation” and “diffuse local growth” still determine spatial development. Inclusive spatial development is hindered by illegal/non-transparent land deals and conflicts over resources. Kampala is growing very fast and largely unplanned; smaller cities also have severe problems.

How inclusive is spatial planning in Ethiopia? Ethiopia starts at low levels with urbanization, but now at an increasing rate. Reclassification of villages into towns is a measure, but overall there is an insufficient supply of public services to urban areas. Leasing of land is an instrument to generate local revenues. There is not a consistent rural-urban integrated spatial development strategy. The Second Growth and Transformation Plan (GTP II) has no spatial inclusion dimension. Ethnic federalism and conflicts on land use create security problems. Land grabbing is an issue.
5. Towards Inclusive Spatial Development in Africa: Important Lessons emerge from the Country Cases

Food Security Policies are key for poverty reduction and spatial inclusion (Case of South Sudan)

Isolated poverty reduction strategies will not work, because of neighbourhood effects (Case of Nigeria)

Regional investment benefits will not work without coherent spatial development policies (Case of Tunisia)

Long-term Spatial Visions and Strategies will work only when all government levels are involved from the outset (Case of South Africa)
5. Towards Inclusive Spatial Development in Africa: Important Lessons emerge from the Country Cases

Spatial Inclusion follows market development, and access to land is key for market development (Case of Zimbabwe).

Poverty Reduction Policies can become ineffective if the rural-urban divide is increasing (Case of Uganda).

Land Policies are crucial for poverty reduction in early stages of urbanization (Case of Ethiopia).

Standard prescriptions for regional and local development (such as on data, planning, finance, implementation) will fail if the specific context (specific assets, etc.) is not assessed.
6. Conclusions

Spatial Development matters for:

New Growth and Poverty Reduction Policies towards Inclusive Growth

Transport and Traffic Policies supporting Inclusive Growth

Long-term Planning and Strategic Foresight incorporating Inclusive Growth Objectives

Identifying systematically the Specific Assets being available and exploitable for Local Inclusive Growth