



19th century London a model for 21st century Africa?

Lessons from 19th century London could provide a model for the growth of 21st century cities in Africa, suggested Professor Paul Collier from the University of Oxford at a public lecture at the International Growth Centre's annual growth conference, Growth Week, on Monday evening.

However, urban housing provision is a major challenge and the current issues facing urban Africa today are reflective of those occurring in 19th century London.

Ben Akabueze, Commissioner for Economic Planning & Budget for Lagos state, described Lagos as Nigeria's leading city and nerve centre. Representing 13% of the population but only 0.4% of Nigeria's land mass, Lagos state accounts for 26% of the country's GDP.

Slumification is a real challenge for Lagos state, with a shortage of one million housing units, and 60% of the population living in informal settlements.

Housing is an important factor in achieving economic growth, as housing provision can also stimulate the development of the financial services sector. Cities must generate opportunities for work – cities will build themselves if jobs are available.

The massive demand for housing in 19th century London created a subsequent demand for new forms of financing. Banks were not providing housing finance, so the building society evolved to meet this gap. Could the same happen in Africa today?

The mortgage industry in Lagos is still in its infancy which challenges Lagos' planning estimation of a city of 40 million in the not-too-distant future. The state alone cannot fund the necessary infrastructure projects required to house the growing population, and has, as a result, turned to public-private partnerships (PPPs).

Professor Collier suggested several conditions would be necessary to meet, including legal rights and the provision of infrastructure such as transport networks in advance of building housing stock. The PPPs occurring in Lagos state could be meeting some of these challenges, with a privately financed toll road of 50km already built and opening up the eastern flank of the city.

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Professor Tony Venables (University of Oxford) cautioned that during the development of a city, it is important to use land efficiently. Space is a scarce factor for cities and making complementary investments in infrastructure is critical. The balance between proximity, density and scale can result in the development of industry clusters which can act as important drivers of innovation and growth.

Efficient use of natural resources is also critical to Africa's future. While Lagos itself is not an oil producing state, many African states do experience significant financial windfalls from natural resources. In order to ensure long-term economic growth, these funds must be reinvested in creative and liveable cities.