



**Urbanization as a Catalyst for  
Local Economic Development**  
Ghana Urban Forum

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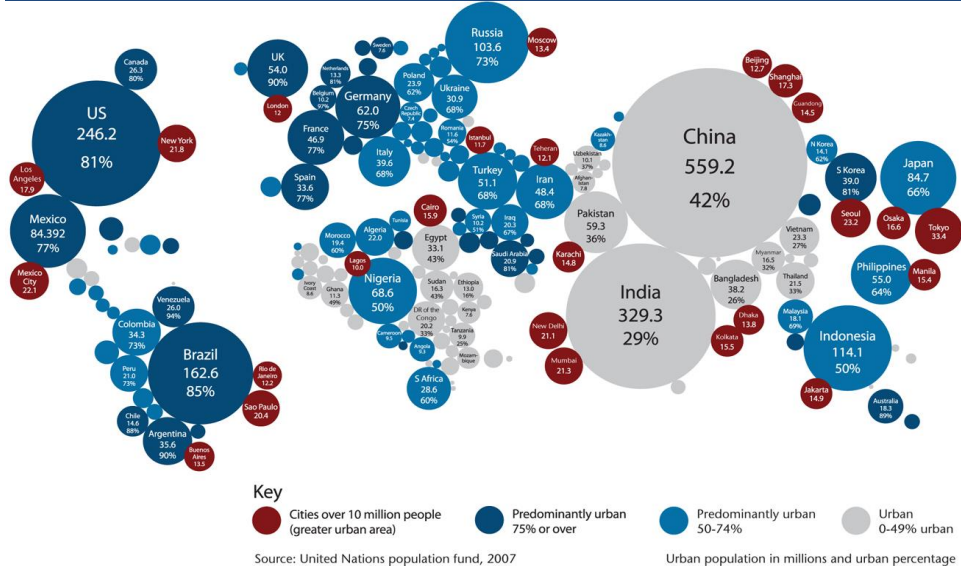



■ **Presentation Structure**

- Introduction / Background
- Urbanization, the challenges
- Urbanization the Opportunity
- Local Economic Development
- LED as Alternative – the four dimensions
- 

Equitable Economic  
Growth!





**1 The massive growth in world population ...**

1804: 1 Billion  
1927: 2 Billion  
1959: 3 Billion  
1974: 4 Billion  
1987: 5 Billion  
1998: 6 Billion  
2011: 7 Billion  
2025: 8 Billion  
2043: 9 Billion (PROJECTED)


123 YEARS TO NEXT BILLION

Access to safe water supply 884 million people lack access to safe water supplies; approximately one in eight people.

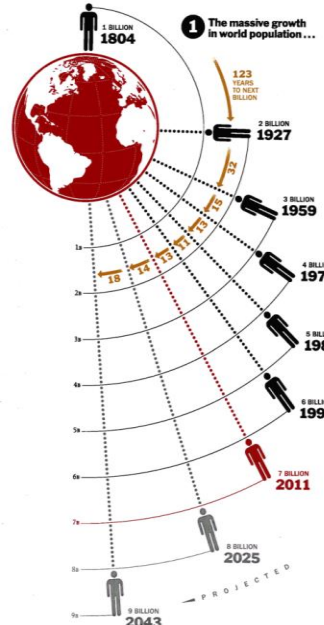
A bathtub holds 151 liters of water. Someone in a slum may be lucky to get 30L for their daily needs

A five minute shower uses more water than a typical person in a developing country uses the whole day



**1 in 8**



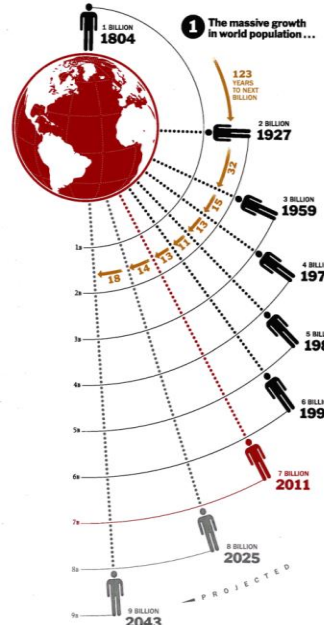
**1 The massive growth in world population...**



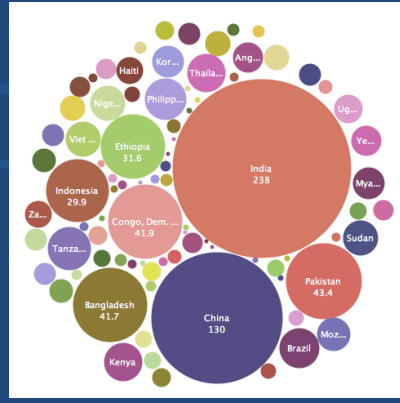
Sub-Saharan Africa: Substantial investments—on the order of **4% (percent)** of the region's GDP annually over the **next ten years** — will be needed if the power sector in Sub-Saharan Africa is to meet the demands of economic development, keep pace with population growth, and expand electrification beyond today's regional average of just 34 percent (2005 data).

**1 The massive growth in world population...**



One in **Eight** people is undernourished.



Country	Population (Millions)
India	238
China	130
Pakistan	43.4
Bangladesh	41.7
Congo, Dem. Rep.	41.9
Indonesia	25.9

1 in 8

<http://flipagram.files.wordpress.com/2008/09/undernourished-populations-by-country.png?w=433&h=485>

**1 The massive growth in world population...**

IHS Making cities work

One in **Three** people lacks hygienic toilet.

**Toilets**

1 in 3

Time magazine Dec 2011

Population	Year
1 Billion	1804
2 Billion	1927
3 Billion	1959
4 Billion	1974
5 Billion	1987
6 Billion	1998
7 Billion	2011
8 Billion	2025 (Projected)
9 Billion	2043 (Projected)

## The Urban Opportunity

### Cities Concentrate, Can Accelerate Activity

- The Concentration of economic activity in cities contributes significantly to global outputs and employment
- 600 cities account for 60% of the world's gross domestic product
- Cities, key drivers in sustainable development transition

### Urban Infrastructure Investments can enable growth, employment and poverty reduction

- Annual Urban Infrastructure and building investments are expected to rise globally from \$10 trillion to \$20 trillion by 2025.
- Invest decisions in sustainable long-term infrastructure has far-reaching impacts on social and economic welfare urban dwellers, environmental sustainability and climate resilience

### Urban areas are sites for social Transformation

- Urban areas can enable social transformation and inclusion through processes such as investment in human development, addressing asymmetries of gender, race, age and ethnicity and the participation of citizens in governance

### Local governments are nimble

- Local city governments often have the ability to respond more rapidly to the needs of their populations
- They can quickly and flexibly adopt their policies.

### Cities, interconnected with the natural environment

- Urbanization should occur within the local, regional and planetary limits of ecological and other life support systems.
- Sustainable development actions taken within the city level can significantly impact on the natural environment and health
- Cities have the potential to minimize our environmental footprint

### Cities are centers of innovation

- Cities, crossroads where diverse cultures meet, contest, evolve and change
- Cities offer opportunities for creativity, new ideas and synergy between groups
- Geographic concentration promotes knowledge generation, spread of ideas, creativity and innovation


AIBo 2016



**Local Economic Development**

- Local economic development' has been used to describe a number of initiatives, ranging from industrial policy and regional planning to community development, which, although part of a LED strategy, cannot entirely be considered as LED.
- LED only refers to those development strategies that are territorially based, locally owned and managed, and aimed primarily at increasing employment and economic growth (Rodriguez-Pose 2002).
- Local economic development "is essentially a process in which local governments and/or community based groups manage their existing resources and enter into partnership arrangements with the private sector, or with each other, to create new jobs and stimulate economic activity in an economic area." (Zaiaer and Sara 1993: 129)

A Question of creating new jobs and stimulating economic activity in an economic area.




**Local Economic Development**

- "The process by which local governments, local businesses and other actors join forces and resources to enter into new partnership arrangements with each other or other stakeholders to create new jobs and stimulate economic activity in municipalities, towns and villages" (Ghana National Decentralization Policy)

A Question of creating new jobs and stimulating economic activity in an economic area.

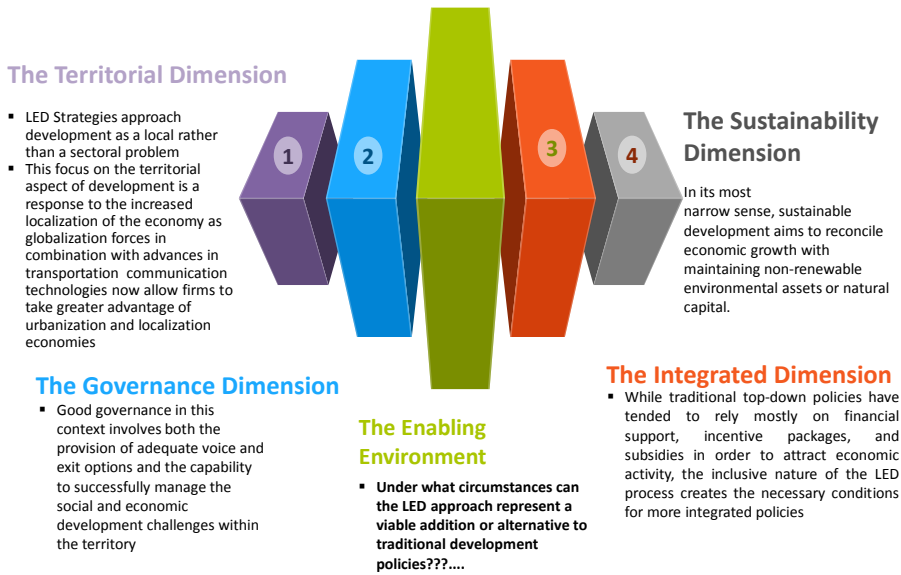


## Local Economic Development

- The aim of LED is to create comprehensive and balanced local development strategies. Such strategies are usually centred around four main axes: the improvement of the competitiveness of local firms, the attraction of inward investment, the upgrading of human capital and labour skills, and the upgrading of local infrastructure (Rodriguez-Pose 2002: 9).
- Through a careful analysis of the economic potential of the area, development bottlenecks in the local structure can be identified and addressed in order to allow the locality to take advantage of opportunities for growth and employment..

**Cities Growth Equity, Inclusive**  
A Question of taking advantage of opportunities!

### Four most important dimensions of LED strategies



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## ■ Inclusive Economic Development

- The **process of urbanization** is linked to a geographic concentration of economic activity and investment, an increase in the proportion of industrial and service sector employment, rising productivity, and often increased employment and economic development.
- This economic activity can be a driver for sustainable development, but only if means are found to ensure that the urban poor benefit.
- **Local economic development** has been used in many cities as a successful strategy to address uneven development and extreme poverty.
- Pro-poor and inclusive local economic policies can enable city governments to address poverty, unemployment, social deprivation and vulnerability, by promoting youth employment, empowering marginalized communities, and promoting gender equity.

A Question of promoting youth employment, empowering marginalized, and equity!






## ■ The Underlying Questions

- Under what circumstances can the LED approach represent a viable addition or alternative to traditional development policies???.
- Given that there is a national policy on LED, what are the bottleneck in operationalizing this in the decentralized system?????.....

A Question of development policies

Thank you





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**Questions**

Equity, Inclusive

Numbers don't lie

