Migrants, Markets and Mayors
Rising Above the Employment Challenge in Africa’s Secondary Cities – Key Insights

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MIGRANTS, MARKETS AND MAYORS: RISING ABOVE THE EMPLOYMENT CHALLENGE IN AFRICA’S SECONDARY CITIES – KEY INSIGHTS

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Abstract: In our rapidly urbanizing world, mayors often see migrants as a burden to their city’s labor market and a threat to its development. Drawing on national household surveys and four secondary city case studies in Africa, this study finds that migrants—being younger, better educated and/or complementary to the resident labor force—usually strengthen the urban labor force. In secondary cities, labor market outcomes for migrants are at least as good as those for residents. Migrants also contribute increasingly less to urban population growth. Secondary cities thus appear well placed to leverage migration. This requires good urban management that develops land and labor markets, prepares for growth and benefits everyone, migrants as well as residents. Migrant specific interventions are warranted when divisions between natives and migrants are deep. Strengthening the financial, technical and planning capacity of towns to better integrate migrants is part and parcel of the good jobs agenda.


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Introduction

In a rapidly urbanizing world, where more than two in three people are expected to live in cities by 2050, internal migration is often feared as source of urban underdevelopment. Over the coming decades, urbanization will be especially fast in Asia and Africa, where the urban share of the population is still substantially lower. Historically, internal migration has been an important driver of urbanization. Despite this, migrants are also commonly perceived to have more difficulties integrating in the urban labor market than urban residents, given their lack of education, social networks, and family support in towns. As a result, they are thought to mainly join the ranks of the un-employed and underemployed in the urban informal sector, and, if they do work, to take scarce jobs from citizens. Furthermore, they are seen to push up rents and housing costs and overburden urban centers’ often crippled infrastructure and social services, thus holding back their economic development. Rural-urban migrants are especially seen as culprits in this scenario. Such views, widely shared and shaped by big city slum development, have instigated fears of urban underdevelopment, especially in Africa, where global poverty is increasingly concentrating; it has also shifted policy focus towards interventions to limit migration, including through institutional neglect of informal settlements.

Others argue that migrants are not worse off, and that they instead positively contribute to the local economy in many ways. The opposition between the ‘poor, uneducated, informally employed migrant’ and the ‘better-off, educated, formally employed non-migrant’ is, not supported by the facts” (Beauchemin and Bocquier, 2004: 2261). Some argue that the belief that urban migrants do not earn their living in the urban centers is unfounded; they cannot afford not to work, and would otherwise return to their places of origin. Migrants are also often the more dynamic and educated among rural populations because of migratory selectivity. Internal migrants in francophone West African urban centers in the 1980s and 1990s were not disadvantaged when compared with local residents. Moreover, by increasing the size and population density of the city, migrants may also enable economies of agglomeration, an important force in urban economic growth. Additionally, skilled migrants can also increase the urban skill pool, while unskilled migrants may complement skilled urban workers, in both cases generating positive human capital externalities. Even unskilled urban workers may still gain from migration – as has been carefully documented in China by accelerating their occupational transition, or if increased demand for unskilled labor following migration induced agglomeration economies exceeds downward wage pressures and employment loss following migration induced substitution.

What about Africa today? How different economic forces play out (economies and diseconomies of agglomeration, labor complementarity or substitutability) is not clear a priori, and their individual effects are hard to identify empirically. The aggregate outcomes will also differ for various population groups (skilled/unskilled; migrant/resident). Other factors likely to affect outcomes include whether the urban

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3 Beegle and Christiaensen (2019).
4 Todaro (1997). The share of countries with policies to lower rural to urban migration has increased substantially worldwide (from 38 percent in 1996 to 80 percent in 2013) and is especially high in Africa (85 percent) and Asia (84 percent), where urbanization is also fastest (United Nations, 2013, https://esa.un.org/PopPolicy/wpp_datasets.aspx).
5 Fox (2014).
6 Young (2013).
7 Combes, Démurger, Li and Wang (2020).
destinations are smaller towns or bigger cities, whether their economies are fast-growing or stagnating, how responsive land markets and service provision are to the arrival of newcomers, and whether arriving migrants have been mainly driven by distress at their place of origin or by the buoyancy of the destination.\(^8\) The circumstances in Africa today are also quite different than in China (or even the Africa of the 1980s and 1990s). Population growth is much faster and rural-urban labor mobility is much less restricted than in China, and per capita GDP growth on the continent has overall been less labor-intensive (relying more on natural resources than labor-intensive manufacturing exports). In fact, when observing Africa today, one mainly sees cities that are crowded, disconnected, and costly,\(^9\) struggling to play their role as engines of economic growth and poverty reduction. This raises the question of whether migration and urbanization cannot be better leveraged.

**The perspective on migration and urban development must be broadened in three dimensions.** Debates about migration and urban development have arguably been somewhat reductionistic and misguided. First, much of the focus has been on larger cities (often only capital cities) and rural-urban migrants only. This leaves the challenges of most of Africa’s urban centers and the majority of their population unaddressed. About 97 percent of Africa’s urban centers/agglomerations have fewer than 300,000 inhabitants; urban agglomerations of less than 1 million make up 60 percent of Africa’s urban population, spread across 7,543 urban centers.\(^10\) Increasing evidence further suggests that the development of towns and secondary cities may also be better at reducing poverty than the development of big cities.\(^11\) In addition, a sizeable share of urban migrants comes from other urban areas. Ignoring this leaves out an important part of the migration and urban development dynamics. A more holistic and dynamic perspective, incorporating both migration flows along the full urban hierarchy as well as rural-urban migrants, is needed to better understand and leverage migration for urban development.

Second, the policy focus in addressing Africa’s employment challenges has often been on urban youth employment programs, with variable success at best and a lack of differentiation between the needs of migrants and urban natives.\(^12\) If migrants generally integrate well into urban labor markets, a broader and more differentiated policy package is needed to increase labor market outcomes for all urban citizens, migrants, and natives alike. This should go beyond labor market policies and include urban policy instruments to address institutional and regulatory constraints that misallocate land and labor within cities, fragment physical development, and limit productivity.

Third, the focus on the rate of urbanization (a key policy indicator from the national perspective) at the expense of urban population growth (the key concern for urban governments) has led governments to see migration as the major contributor to urban population growth. While migration has historically been important for urban growth in developed countries, in Africa, urban natural increase has been much more important for urban growth than migration, with migration expected to become even less important in the future. This creates opportunities to go beyond migration, using urban (and rural) population interventions to manage the rate of urban growth and foster urban development.

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\(^8\) Busso, Chauvin and Herrera (2021).
\(^10\) OECD/SWAC (2020).
\(^12\) Kluve et al. (2016).
This report reviews how secondary towns and cities in Africa can better prepare for and manage the internal economic migration of workers to the mutual benefit of cities and migrants alike. This study, funded under the Cities Alliance “Cities and Migration” Program, focuses on economic migration and urban labor market integration. Under the program, four secondary case cities were selected in three African case countries, each representing significantly different settings: Jijiga in Ethiopia, Jinja in Uganda, and Jendouba and Kairouan in Tunisia (Box E.1). Jijiga is the regional capital of Ethiopia’s Somali Region, a thriving trading center on the trade corridor between Ethiopia, Somalia, and Djibouti. It has been growing rapidly mainly due to the migration of people in search of better opportunities, with access to urban services governed by a residency permit system as in the rest of Ethiopia. Jinja, recently elevated to city status and situated at 80 km from the capital of Kampala, also has high economic potential and is said to be a commuting city. Jendouba and Kairouan in Tunisia are two intermediate cities in the two poorest internal regions of Tunisia; they are both challenged to ensure economic and social inclusion for their citizens, including rural migrants, and often act as a steppingstone to the thriving coastal cities.

The migrant, the market, and the mayor. Three perspectives are taken: these of the migrant, the market, and the mayor, broadly referring to how migrants fare in the urban labor market, how they affect aggregate urban productivity, and how mayors can leverage their potential to the benefit of all. Insights from national household survey data analysis are combined with those from the case cities to address the first question. A more indirect approach is taken to examine the second question. As speedy urban population growth challenges mayors to maintain the urban infrastructure and services needed for economic buoyancy and the general welfare of citizens, the report explores how migration in Africa affects the rate of urban population growth, as well as the size and composition of its labor force, drawing on demographic data and the literature, complemented with insights from key informant interviews in the case cities. Finally, the report reviews the policy options mayors can take to better leverage migration for everyone in the city and the challenges they face in implementing them, again informed by the literature as well as lessons from World Bank operations and interviews with case city officials.

Box E.1: Different cities, different settings

**Jijiga, Ethiopia.**

Jijiga, the regional capital of Ethiopia’s Somali Region, has been growing fast, both in population and built-up area, driven by migrants in search of better opportunities. Jijiga is strategically located on the trade corridor between Ethiopia, Somalia, and Djibouti, and vibrant trade and commerce dominate economic activity in the city (see Figure E.1a). Like many other cities in Ethiopia, Jijiga has been growing fast, in built-up area (Figure E.1b) and population, which was estimated at 221,000 in 2020, making it the 10th largest city in Ethiopia. With the country traditionally seeing low mobility, the largest share of flows are rural to urban, representing 33 percent of migrants in 2013. The region surrounding Jijiga is largely arid, sparsely populated, and most of its population are semi-nomadic livestock herders. However, migrants have been coming from across Ethiopia, despite the Somali Region being culturally and linguistically different from the core of Ethiopia, speaking the Somali language and adhering to Islam rather than Orthodox Christianity. At approximately 20 percent in 2018, the unemployment rate in Jijiga is similar to that of urban Ethiopia, but women fare worse, with female unemployment rates in Jijiga much higher than in the rest of urban Ethiopia (31 percent as compared to 26 percent).

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13 Another component of the Cities Alliance “Cities and Migration” Program explores the challenges and policy options of forced displacement.

14 Comparable cross-country urban panel data with consistent disaggregation of the urban population by their origin (migrant/resident) are needed to quantitatively estimate the effects of migration on aggregate urban productivity. Such data is not yet systematically available for Africa.
Jinja, Uganda

Jinja is a secondary city with high economic potential, whose growth is mainly driven by natural increase, but allegedly also by substantial commuting. Located along the corridor of major trading routes on Lake Victoria, at 80 km from the capital of Kampala, Jinja was recently identified as a city with high economic potential, ranking fourth among 32 cities analyzed (Wadie, 2019). While 31 percent of the growth in Kampala is due to migration, this falls to 13% for the rest of urban areas in the country. Secondary cities have been mostly growing due to natural growth (60 percent), and much less from migration (16 percent) or reclassification (14 percent). Among these secondary cities, the municipality of Jinja was recently elevated to city status (July 2020). Jinja has a history of hosting manufacturing activities and is said to be a commuting city that harbors five times the people during the day than at night (City Alliance, 2016). As such, it also provides an interesting backdrop for the study of spatial settlement and working patterns.

Jendouba and Kairouan, Tunisia

Located in the two poorest internal regions of Tunisia, the intermediate cities of Jendouba and Kairouan essentially act as steppingstones for rural migrants to the thriving coastal cities. Without an industrial base and with their hinterlands still heavily reliant on agriculture, both cities struggle with persistent high unemployment. Nonetheless, they have continued to grow and attract migrants from inland regions, while also seeing part of their population (often the more entrepreneurial and successful among them) move to the more prosperous coastal regions and cities. Cities like Jendouba and Kairouan hence emerge as steppingstones into moves along the urban portfolio. More broadly, with almost two thirds of its population already living in urban areas and an overall population growth rate of just above 1%, population flows in Tunisian cities are bi-directional, with cities facing both immigration and outmigration.

The migrant perspective: How well do migrants fare?

Migrants make up a sizeable part of the urban labor force, with rural-urban migrants somewhat more prevalent and short- and long-term migrants contributing about equally. A person is considered a migrant if they moved into an urban area less than 10 years ago (irrespective of their place of birth). Migrants account for at least a third of the urban labor force in five of the seven African countries examined. On average, slightly less than 50 percent have arrived recently (less than three years ago),

while the others relocated between three and ten years ago. Depending on the country, anywhere from one half to one third of urban migrants come from other urban areas. When looking along the urban hierarchy, migrants are more frequent in big cities on average (> 1 million inhabitants), comprising 39 percent of city populations on average, as compared to 31 percent of the population of secondary cities (100,000-1 million) and about 25 percent of the population of towns (<100,000). They tend to come more frequently to secondary cities from other urban areas, while being slightly more rural and staying for a shorter period in towns.

Urban migrants are younger, have fewer dependents, and are more educated than urban residents; these gaps are larger for urban-urban migrants and decline as city size increases (Figure E.2). Regression analysis across six Sub-Saharan African (SSA) countries shows that migrants are on average five to six years younger than residents. This holds without differentiation across city size or migrant origin (Figure E.2a). Being younger further translates into having fewer dependents,16 with this gap being larger for urban-urban migrants than for rural-urban ones (who tend to have higher fertility rates) and declining as city size increases (Figure E.2b). Migrants are also more educated than residents. The education advantage migrants enjoy over urban residents is, however, largely confined to urban-urban migrants. In fact, rural-urban migrants face a growing education deficit as they move to larger urban centers (from similar education levels to small-town residents to more than a 1-year average gap in big cities) (Figure E.2c).

Somewhat surprisingly, agriculture remains a significant sector of employment in towns and secondary cities of Sub-Saharan Africa. About one in four non-migrant residents is still employed in agriculture in small towns (<20,000 inhabitants) and about one in seven in large towns and secondary cities combined (20,000-1 million inhabitants).17 This is partly a reflection of in situ urbanization and related definitional issues;18 it also highlights Africa’s lack of industrialization. Small town migrants are 11 percent less likely to be employed in agriculture than small town residents on average; this difference declines as urban center populations increase, eventually virtually disappearing in large cities, where the share of agricultural employment is only a few percentage points overall (Figure E.2d).

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16 Menashe-Oren and Stecklov (2017).
17 Where possible, towns are further categorized into small (<20,000) and large (20,000-100,000) towns.
18 Potts (2018).
Figure E.2: Urban migrants are younger, have fewer dependents, are more educated, and are more likely to work outside agriculture, with the gaps larger for urban-urban migrants and declining by city size

Note: Definition variables: Dependency ratio = [(non-working age household members) / (working age household members)]*100; working age population = 15-64 year olds; rural-urban = rural urban migrant; urban-urban=urban-urban migrant. Sample population: Results obtained from OLS regression of $y_{ij} = \alpha + \beta_1 SC + \beta_2 LC + \gamma_1 RU + \delta_1 RU * SC + \delta_2 RU * LC + \gamma_2 UU + \delta_3 UU * SC + \delta_4 UU * + \theta MigDur + v_j + e_{ij}$ for urban population pooled across 3 select countries (ETH, TZ, UG), whereby $y$=education, age, dependency ratio, sector of employment (1=nonagriculture), SC=small city (20,000-1 mil), LC=large city (>1 mil), RU=rural-urban migrant, UU=urban-urban migrant; MigDur=# years in city since migration (0-10), $v_j$=country indicator; $e_{ij}$=random error term. Results for all migrants obtained from 6 countries (ETH, GH, KE, MU, TZ UG), without distinction by origin of migrant, i.e. $y_{ij} = \alpha + \beta_1 SC + \beta_2 LC + \gamma_1 M + \delta_1 M * SC + \delta_2 M * LC + + \theta MigDur + v_j + e_{ij}$;

Source: Authors’ calculations

The national experience from eastern African countries during the 2000s and 2010s suggests that migrants integrate well into urban labor markets overall, enjoying similar levels of welfare to residents, even after controlling for differences in human capital (age, education), occupation, and locational...
choice, irrespective of their duration of stay. Migrants to towns and secondary cities, who are the focus of this report, do at least as well or even better than urban natives. Migrants to towns and secondary cities from other urban areas – labelled “urban-town migrants” – are more likely to be employed, work more hours, and enjoy a wage premium relative to residents. Unsurprisingly, they also end up with higher incomes and consumption per adult equivalent. This can be largely explained by their better educational attainments (as well as their choice of more buoyant urban destinations).

Rural-town migrants (those who come to towns and secondary cities from rural areas) also do well and tend to be at least as well off as town residents. They are substantially more likely to be employed and work more hours than urban residents, albeit at a wage discount. Together, this still results in substantially higher incomes at face value, or similar incomes when controlling for differences in socio-economic characteristics, occupation, or location, suggesting that they largely enjoy similar economic opportunities in the towns or secondary cities they settle in.

Migrants from urban areas to cities perform similarly to (though not better than) their fellow city residents. They are more likely to be employed and work more hours than city residents, but their wages are slightly lower on average, offsetting some of the income gains from working longer, eventually resulting in similar incomes and consumption levels as those enjoyed by city residents. Self-sorting of urban migrants by city size is likely at work: the more abled end up in the big cities, where they do well, but not better than city residents; the lesser abled urban migrants end up in towns and secondary cities (or rural areas), where they often outperform locals (especially in towns).

The experience of rural-urban city migrants in eastern Africa might come closest to the popular notion of “migrant dwellers joining the ranks of the unemployed”, but this is not readily generalizable. Rural-city migrants also work longer for lower wages, though in this case resulting in substantially lower incomes than city residents. Even so, this finding from the East African sample countries studied here (Ethiopia, Tanzania, and Uganda) does not carry over to other countries. East Africa is also still the subregion with the highest contribution of migration to urban population (consistent with its lower levels of urbanization). When controlling for human capital, occupation, and location, the lower labor market performance of rural-city migrants does not carry over to consumption. Rural-urban city migrants of similar age and gender and with similar dependency ratios and education levels enjoy similar welfare levels as city residents. As such, the findings resemble those of Beauchemin and Bocquier (2004) for migrants in West African urban centers in the 1980s and 1990s.

Finally, men are more engaged in the labor market at better conditions than women, with male migrants more likely to be employed than male residents. Men are more likely to be employed than women on average; they work more hours and have significantly higher wages. Furthermore, across countries, male migrants are more likely to work than male residents, though there is no systematic difference in the employment rates of female urban migrants and female residents.

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19 In absolute terms, urban-urban migrants to cities are still better off overall than migrants from urban areas who moved to towns or secondary cities, possibly because of the higher city wage premium.

20 Looking at other welfare indicators such as measures of durables ownership and access to amenities (electricity, tap water), housing quality, and indoor air quality across 12 SSA countries during the 2010s, rural-urban migrant households in the densest population quartile (which covers most of the area in big cities and the centers of secondary cities) do at least as well as residents (Gollin, Kirchberger, and Lagakos, 2021).
These core findings from the national household survey data are broadly robust to data considerations. If migrants mainly returned because they did not find employment, the integration results presented above, based on urban samples, may be overly optimistic. However, there is no indication that selective return migration is driving the results. Second, while the findings draw heavily on the Eastern African experience, the good labor market integration of migrants in faster-growing urban East Africa arguably supports rather than detracts from the notion that migrants are well integrated into the urban labor market in general. Among Africa’s subregions, urban growth is fastest in East Africa, with rural-urban migration still contributing twice as much as urban natural increase. Finally, based on the national cross-sectional data available and after controlling for differences in socio-demographic characteristics, duration of stay does not affect migrant welfare levels as compared to residents. Here, further investigation with migrant panel data is warranted to establish the effect of migration duration more reliably, as it cannot be excluded that the characteristics of migrant cohorts have changed over time.

The decent labor market integration of migrants is also observed in the case cities, though the findings also reveal spatial differences within the city, as well as other challenges. Despite the varying characteristics of migrants and settings across the case countries and cities (Box E.1), labor market and welfare outcomes of migrants in the case cities are not consistently worse than those of natives. Regression analysis confirms that migrants in Jijiga have higher employment rates and work more hours than locals. Migrants from other urban areas were 20 percentage points more likely to be employed than Jijiga locals, while rural migrants were 30 percentage points more likely to be employed. Rural and urban migrants also worked significantly more hours than locals, possibly at lower wages (especially rural migrants), but this was not statistically significant after controlling for education and age.

Some of the patterns from Jijiga are replicated in Jinja, with urban migrants likely to do better than locals and rural migrants, and people in the city center significantly outperforming those in the outskirts. Importantly, however, contrary to the common perception that migrants mainly settle in the outskirts, many rural-urban migrants (about 50 percent) settled in the city center, where working hours, wages, and earnings are substantially higher and where they earned similar amounts to locals per adult equivalent. Migrants cope with generally higher rents in the center by occupying the affordable segment of housing in this area of the city, which is located in some of the informal settlements of Jinja (like Masese and Mafubira). Similar spatial settlement patterns have been documented in Arusha.21

As in Jinja and Jijiga, urban to urban migrants in Jendouba and Kairouan are better educated, younger, and more likely to be employed than urban residents. But as in other cities, migration is not without its own challenges. In interviews, migrants repeatedly reported harsh working conditions, low salaries, and patchy or non-existent social security coverage. Facing more vulnerable economic conditions, they are more likely to accept any job, regardless of the conditions offered. In Jendouba, migrants are mainly seen as essential to sectors in which non-migrants refuse to work, such as agriculture, leading to a process of “reverse commuting”, whereby migrants who now live in the city and have access to better social services travel daily to work in the nearby rural fields (usually in small irrigated farms or olive groves). Finally, both men and women indicate the challenge of gender-based violence, which migrant women must endure at work (Box E.2)

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21 Andreasen et al. (2017).
Box E.2: Female migrants face a double burden in the workplace

With lower salaries and constant harassment, female migrant workers suffer from double discrimination in the workplace. In Jendouba, women work physically demanding jobs in agriculture and are paid significantly less than male workers for the same work. In fact, agriculture is a feminized sector where employers recruit women because they work longer hours for lower pay. According to female migrant experiences, factories prefer to hire single women unburdened by family. Moreover, sexual harassment of women in the agricultural sector is rampant, while female factory workers are subjected to verbal abuse and harassment from their employers, and sometimes from their male colleagues. Furthermore, limited social networks make it harder for female migrants to attend to their households and children while working long shifts.

Urban market dynamics: Do migrants contribute to the city?

How labor markets and cities fare following migration also depends on how migrants affect the broader urban market dynamic. Thus far, a static view has been taken, focusing on how migrants fare in urban labor markets and their welfare compared to their urban counterparts. However, migrants also affect the broader urban dynamic. Each time a migrant enters (or leaves), s/he increases (decreases) the size of the urban center and affects the speed of its expansion. Depending on how migrants differ and where they settle, they can also change the structure of the urban labor force and the spatial build-up of the city. This may open opportunities, such as agglomeration economies associated with larger urban centers and increased population density or following labor complementarity, but it can also bring challenges, especially if the benefits only come with a lag, or if residents are negatively affected (housing shortage, congestion, labor substitution). In many ways, these dynamic effects are likely the greater concern to mayors, with migrants easily becoming scapegoats for all ills.

Africa’s urban growth is increasingly driven by natural increase, not migration, mitigating migrants’ contribution to the speed of urban expansion and thus congestion, especially outside eastern Africa and in towns. At more than four percent, urban population growth remains substantial in SSA. However, not only has the contribution of rural-urban migration to urban population growth in Africa been substantially lower than commonly perceived, it is also declining rapidly, with natural increase now the major driver of urban growth to contend with (Figure E.3). The contribution of rural-urban migrants to population growth also remains largest in big cities at low rates of urbanization, as in East Africa (Figure E.4), but is otherwise grinding to a halt in many of Africa’s capitals. Net rural-urban migration has been declining in most of Africa, especially among older population groups, while the decline in urban fertility is stagnating, especially in Africa’s capitals, but increasingly also in other urban areas, pushing up contribution of urban natural increase. These insights are consistent with the empirical findings that rural-city migrants in East Africa actually struggle the most to integrate into the urban labor market, not

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22 Growth of four percent per year corresponds to doubling in size every 18 years, which would challenge any government, even those with strong institutions and solid finances.
23 Contrary to the developed world, where migration accounted for 60 percent of urban growth, natural increase was already the dominant force in urban population growth in developing countries during the second half of the 20th century, accounting for 60 percent, with migration and urban reclassification accounting for the remaining 40 percent (Farrell, 2017).
24 Menashe-Oren and Bocquier (2021).
migrants from towns. This also points to urban population policies as an additional policy instrument for urban development.

**Figure E.3:** Migration’s contribution to urban growth is declining, except in East Africa, where the urban share of the population is lowest.

Source: Bocquier and Schoumaker, 2018.
Figure E.4: Natural population growth dominates urban growth across Tanzanian cities, but net migration still contributes almost 50 percent in Dar es Salaam, while also reducing growth in several towns.


Declining contributions from migration to urban growth in other urban areas also places towns and secondary cities in a good position to leverage migration. Continuing migration pressure on capitals in East Africa suggests a greater role for other urban areas, secondary cities, and small and large towns in absorbing and leveraging migration. Across countries, migration to secondary towns and cities has also been documented to be better at reducing poverty than migration to cities, while many of the relevant agglomeration economies for Africa’s economies can already be realized at a city size well below the metropolitan scale. By enhancing the urban skill pool and reducing the urban dependency ratio, town and urban-urban migrants can further foster urban productivity growth, a fact often overlooked by policy makers and locals alike. Moreover, the case city evidence suggests that rural migrants often complement the urban labor market. As in Jendouba, Tunisia, the qualitative research in Jijiga, Ethiopia showed that migrants typically engage at the lower end of the labor market, often taking informal jobs in the construction sector or as nannies. High levels of unemployment among residents, on the other hand, are

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26 Christiaensen and Kanbur (2018).
27 Urban growth emanating from migration has thus been found to contribute less to urban congestion than urban natural increase, a fact tied to the lower dependency ratio of migrant households (Jedwab, Christiaensen, Gindelsky, 2017).
more likely the result of limited economy-wide formal sector job creation and queuing, as they aim for permanent formal sector jobs. Rural migrants fill an important labor supply gap in an otherwise dynamic economy, an important reason why Jijiga continues to attract migrants from across the country, despite being cultural and linguistically distinct. This remains, however, little appreciated by residents and city officials.

The potential benefits of migration for the urban economy must however be considered against towns’ broader financial and institutional capacity to make the necessary complementary investments. Even if the contribution of migration to urban growth is limited and declining, the pressure to maintain housing, urban services (utilities, education, health), and infrastructure can be substantial at the margins, especially as these services are already in poorer supply in towns than in cities.\textsuperscript{28} The struggle for decent housing and access to utilities, for both migrants and locals alike, was highlighted during the case city life histories and confirmed in the household survey data in Jinja. Similarly, in Tunisia, the profile of migrants has changed in recent years from family to individual migration, following rising housing prices and rents in urban areas after 2011. Qualitative surveys in Tunisia’s case cities confirm that, while migrants see improvements in access to services as the result of migration, they are often forced to settle in areas where municipalities struggle to manage informal urban expansion, and hence remain disconnected from services and the rest of the city (Box E.3). However, towns and secondary cities often lack the financial, technical, and planning capacity to provide the necessary business environment and urban services to build thriving urban centers for all their citizens (old and new alike), maintain an active and performant labor force, and productively absorb new entrants. More broadly, this will also depend on the broader economic context within which these intermediate urban centers find themselves, such as their proximity to markets (domestic, international) and their economic base (natural resources e.g. mining and agriculture, manufacturing, services), however this is a topic for further research.

\textbf{Box E.3: Voices of Migrants and Mayors in Jendouba and Kairouan}

\textbf{A male migrant suggests there are many challenges to integration in Jendouba: “the most basic services are absent, there are no roads, electricity, drinking water, none of this infrastructure, there are no opportunities for any leisurely activities, and no jobs.”}

\textbf{Migrants call for the government’s attention – In both Kairouan and Jendouba, migrants shared their frustration: “The Oumda practices a form of clientelism and allowances are not distributed to those who deserve it”; “We need leaders who are close to us, listen to us, and who understand our real problems,”}

Source: a series of eight focus groups organized from December 9 to December 12, 2020 in Jendouba and from December 16 to December 19, 2020 in Kairouan.

\section*{Mayors, Markets, and Migrants: What can mayors do to build a city for all?}

This report brings an important message for mayors: migrants (including rural migrants) are a force that can be leveraged for the economic growth of secondary cities, as they often strengthen the labor supply and economic dynamism of these cities by being younger, better educated, and/or complementary to the existing labor force. Migrants can contribute to building stronger urban labor markets, and it is also in the

\textsuperscript{28} Henderson et al. (2019).
mayor’s remit to facilitate and foster this contribution. Rather than fearing inflows of migrants, which are becoming a less important contributor to urban growth in much of Africa, city leaders can take proactive actions that facilitate their integration into the city and improve the overall quality of life for all urban dwellers.

The work in this report suggests that, to support the integration of migrants, one must look beyond labor market policies and migrants and focus on how cities are planned and managed more broadly. Some actions must be directed towards the way mayors interact with their cities. As labor market outcomes for migrants in secondary cities do not seem to be worse than those of natives, supporting the integration of migrants into the socio-economic fiber of cities will require a look beyond labor markets and into the functioning of land and housing markets. Successful migrant integration into secondary cities will require good urban management that prepares for growth and benefits everyone, regardless of their origin. Finally, in some cases where divisions between natives and migrants are deep, a focus on migrants may be required.29

Support MARKETS through more information, less red tape for businesses, and forward planning to provide better urban infrastructure, services, and jobs

Lifting constraints and red tape in the business environment can help create much-needed new employment opportunities. Especially for cities like Jendouba and Kairouan, where economic activity is limited and labor demand is weak, strengthening local economic development will be key to ensure jobs are available for migrants and natives alike. In secondary cities in lagging areas, an improved understanding of the local absolute advantages can help identify areas/sectors where government investments and efforts may lead to higher returns. Improvements in the business environment are often also an important step. The need for better functioning urban land markets is especially a recurring concern, as it is in Ethiopia. If insecure property rights or limiting regulations make it difficult to buy or rent land, it becomes much harder to attract new firms, while existing ones have difficulty expanding. This holds especially for larger manufacturing firms, which are an important generator of better wage jobs. However, there are many other constraints to business development. Building partnerships with the private sector can help urban governments identify the most binding constraints for business development in their locality and better plan and coordinate urban investment.

Addressing housing and land affordability and adequate mobility can significantly improve migrant success in integrating into a city’s economy and society. The analysis in this report and interviews with migrants have shown that access to housing and land is one of the main challenges faced by migrants as they move into cities. Migrants who moved to Jendouba after 2011 purchased small lots of cheap, undeveloped, privately owned land to build their houses, but this subdivision of land is not planned and lacks services. On the other hand, older waves of migrants to Jendouba settled on state-owned land, and although they are unlikely to be displaced, their tenure has not yet been regularized. With limited access to affordable housing, the only option migrants are often left with is to move to informal settlements with limited access to basic services and work opportunities. This also emphasizes the importance of urban growth management policies as concerns migrant integration into secondary cities. Less complex spatial plans that note current conditions and trends can be used to adjust service delivery to meet current and

29 While these recommendations are drawn from analysis for secondary cities, they are also broadly relevant to larger cities. However, in larger cities, a deeper focus on labor market integration policies may be required as information asymmetries may run deeper and more upskilling may be required,
future demands. A focus on improving property rights, land tenure, and other instruments to facilitate the workings of land markets can go a long way in improving the availability of serviced land for development, thus increasing housing supply.

**Better information for forward planning and innovative ways to collect it can enhance the availability of serviced land, supporting the fluidity of land and housing markets.** Secondary cities like Jinja, Jijiga, Jendouba, and Kairouan must improve municipal governance, urban planning, and urban management practices in order to generate employment and support the socio-economic integration of migrants and non-migrants into city life and services. For example, improved coordination of land use and infrastructure decisions can help those in the outskirts – who are currently left unconnected to networks and with limited job opportunities – integrate better into the city, regardless of their migrant status. Prioritizing services and investments requires a better understanding of key migration dynamics and how they shape the municipality's growth and development. In interviews, government officials repeatedly highlighted the lack of information they face and the limited set of long-term planning tools at their disposal. Innovative ways of collecting and updating demographic and spatial information can be used. Local governments can partner with community and other local organizations, advocacy groups, and universities to fill their information gaps and save resources (Box E.4). For example, the deep, detailed, accurate, and appropriate datasets gathered by the young Chicoco Maps team in Port Harcourt, Nigeria demonstrate a successful methodological approach to and effective methods of participatory data gathering and sharing in informal settlements. Trade unions and business groups, particularly for informal sectors, are another key group that can be mobilized; these groups often already collate information about their members or users. While seeking out new data sources is important, incorporating questions of migration status into existing survey tools can help leverage well established data collection efforts and processes to better understand migration. Information on the availability of land and land uses can be an important step toward building cadastral information to assist in planning and managing urban growth.

**Box E.4: Collecting data through participatory processes.**

In Mogadishu, an influx of internally displaced people (IDPs) resulted in a severe housing challenge for local authorities. In response, participatory planning techniques such as housing studios and charrettes helped municipalities identify appropriate locations for building shelters and prototyping affordable designs, as well as estimating the costs of implementing this policy. In Lebanon, neighborhood profiles (i.e. collection at the neighborhood level rather than the level of the entire city) helped city-leaders prioritize and direct humanitarian support to the most vulnerable areas. Data collection efforts also included baseline indicators to monitor the effects of these programs. Although both examples concern refugees or IDPs, lessons regarding data collection also apply to local governments devising spatial policies for migrant integration. Participatory approaches and pilot scales, such as the neighborhood level, can save municipalities work and resources. In the Tunisian case, this could mean collecting crowd-sourced data specific to popular neighborhoods.

*Source: Authors’ compilation based on Local Inclusion of Migrants and Refugees, UN Habitat, 2020.*

**Build the ability of MAYORS to respond to the needs of urban dwellers through stronger finances and capacities, as well as better citizen engagement**

Strengthening fiscal and technical capacities in secondary cities can provide them the needed instruments to generate employment and create cohesive communities. Strengthening fiscal and implementation capacity will be needed to enable secondary cities to provide services and infrastructure to all their citizens. Better linking information, planning, and resources will be important. In Ethiopia, for
example, urban local governments have traditionally been financed by a fiscal transfer from the federal level, augmented by the cities own municipal revenues. These resources are meant to finance cities’ recurrent expenditures, leaving little to no room for capital expenditures. In response, a special intergovernmental grant was added to finance urban development. Both intergovernmental transfers are based on a formula using population size as a main parameter. As a mobile and unregistered group, migrants are underrepresented in official statistics and are thus not budgeted for, thereby complicating service delivery to migrants. Public-private partnerships could also be used to finance infrastructure and service provision, as in the education sector in Jinja. These could be extended to other sectors, such as the development of roads, parks, housing, or solid waste management facilities. Overall, secondary cities must build effective local leadership and strengthen cooperation with other governmental and non-governmental agencies (Box E.5).

**Box E.5** The role of the national government in strengthening local financing and capacities is key.

A first step toward addressing the needs of secondary cities is assessing their needs. Argentina provides an interesting example, where the national government has undertaken a recent effort to identify the capacity of local governments. Starting in 2018, with the support of the World Bank, Argentina’s Undersecretariat of Municipal Relations of the Ministry of the Interior, Public Works, and Housing launched a pilot “Municipal Institutional Capacity Assessment (MICA)” exercise for all municipalities in the province of Salta. Since then, the pilot has been extended to all local governments in Argentina with more than 20,000 inhabitants, and the ministry can now inform decisions on where to design programs to strengthen which capacities.

Tanzania provides another example, where the national government has been working through the World Bank-financed Urban Local Government Strengthening Program since 2012 to leverage the inter-governmental fiscal transfer system to strengthen local capacities, build the information needed for long term planning, and improve secondary cities’ capacities to respond to challenges. The provision of grants to local governments is accompanied with performance indicators that provide financial incentives for local governments to update local urban plans and improve their local taxing system, among others. These mechanisms are intended to improve urban planning, increase own sourcing of income, improve fiscal efficiency, improve infrastructure, and strengthen capacities at the subnational level. Looking for opportunities for co-financing can also provide opportunities to strengthen local finances and enhance capacity.

Source: World Bank 2020

**Strengthening overall citizen engagement can contribute to better migrant integration into city participation mechanisms, increase their voice in the city, and build cohesion with local communities.** There is ample evidence\(^3\) that becoming actively involved in the host community can facilitate immigrant’s integration, ensuring their voices and concerns are heard, helping them influence local policy, and facilitating exchanges with locals. Expanding and encouraging civic community activities can be an important step toward easing and accelerating the integration of migrants into the city. For example, the EU plan for the inclusion and integration of international migrants brings migrants and local communities together around educational, health, or sports activities, while also ensuring migrants participate in consultative and decision-making processes. Platforms for dialogue between migrants and city authorities would also enable misunderstandings about migrants’ position in the labor market to be addressed, as in Ethiopia, where city authorities mainly see migrants as the root cause of urban sprawl, unemployment, and insecurity, while they largely engage in the lower end of the labor market, taking casual jobs in construction, manual labor, and – for women – domestic services.

**Target Migrants when divisions are strong, with actions that improve living standards for all**

In some cases, divisions between migrants and natives may be strong, reflected through discrimination at work and in the communities where migrants live, or through other barriers to access to services and jobs. In such cases, actions targeted at these places may provide an opportunity to improve living standards for all citizens.

**In some cases, a focus on migrant needs through targeted interventions where they live and where they work may be needed to facilitate integration.** However, a focus on improving the city must be maintained as a whole. A focus on where migrants live and work can help identify bottlenecks to their successful integration into the city’s social and economic activities. Some examples include upgrading interventions in specific neighborhoods or improving markets with a high presence of migrant laborers. However, policies and investments targeted at such places, while informed by migrants’ needs, should be designed with a pan-urban approach to ensure that no new barriers are introduced that create segregated spaces populated by migrants alone. Targeted interventions through communication and awareness campaigns may be needed when information asymmetries are present; these can ensure that both migrants and non-migrants are aware of their rights and responsibilities to build a cohesive community.

**Better intermediation and support services can fight discrimination and allow cities to leverage the capacities of migrants and maximize return on the human capital of youth.** To reduce discrimination against migrants and address sexual harassment issues, cities could strengthen access to and the quality of social protection systems (in coordination with the national level. Coordination with civil society organizations, especially those working on youth or women’s themes, could help organize awareness campaigns on sexual harassment prevention in the workplace and on workers’ rights, including raising awareness of employers’ responsibilities (Box E.6). Municipalities can also partner with industrial and other business establishments. Cities may play an important role in the implementation of adaptative social services to improve the social and economic inclusion of migrants. Because local leaders are closer to citizens than national government, they can be a key player in strengthening coordination to implement a Case Management Information System with the involvement of different stakeholders: social workers, employment offices, labor inspection agencies, NGOs.

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**Box E.6: Street art raises awareness of gender-based violence in the municipality of Medenine**

On March 13, 2021, in celebration of International Women’s Day, the municipality of Medenine organized a street art exhibition in collaboration with the Aswat Nissa (Women’s Voices) civil society organization to raise awareness of gender-based violence. In a central street located near Habib Bourguiba Boulevard, in close proximity to a police station and national guard office, who are the first responders to victims of gender-based violence, activists painted the walls with motifs and slogans sensitizing viewers to the brutality, seriousness, and gravity of such incidents. The city of Medinine renamed the street Law 58, after a law intended to eliminate gender-based violence promulgated in February 2018. This kind of intervention, which brings together local governments and civil society organizations and uses various mediums such as street art, helps shift the perception of gender-based discrimination and violence away from that of a private matter that happens behind closed doors, to that of a public issue that must be publicly addressed and discussed.

*Source: Authors’ compilation from [https://www.citiesalliance.org/newsroom/events/tunisia-street-art-raise-awareness-violence-against-women](https://www.citiesalliance.org/newsroom/events/tunisia-street-art-raise-awareness-violence-against-women)*

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**National policies could complement local efforts.** In some cities, migrants expressed the desire for training that would allow them to upgrade their skills and eventually target better jobs in different cities,
allowing them to move forward with their migration journey. Migrants are often unable to take time off from work in order to enroll in such skill upgrading programs. Subsidizing these programs and providing migrants with a small remuneration to substitute the daily wages they would forgo to attend them can help. Furthermore, because newcomers often have limited social networks, day care support services can help women better integrate into the labor market. Like skill upgrading, facilities such as day care centers should support all residents regardless of their migration status, although they may have a significant effect on migrant women, whose local networks may be weaker. For cities where natural population growth is still high, such as Jinja or Jijiga, national support for effective population policies, including female empowerment and access to contraceptives, can help manage urban population growth.
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