



Commercial road in Tenkodogo, Burkina Faso. Photo by Serge Allou

The Systems of Secondary Cities: The neglected drivers of urbanising economies

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“A city’s prospects—or a town’s—depend critically on its place within the urban system, national and international.”

Bruntland Commission, 1987

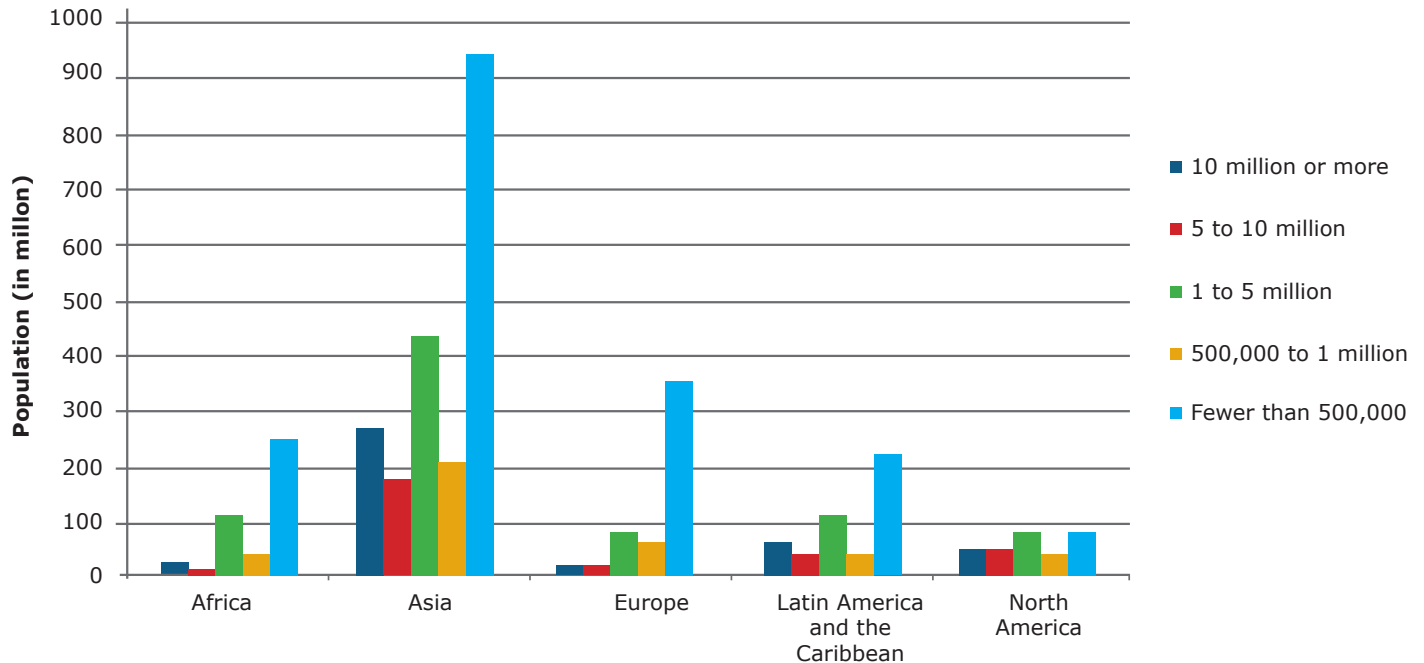
We inhabit a world where an increasing number of people live in cities. As a result, we are moving toward what Shlomo Angel has described as a “*Planet of Cities*”¹, all of which are becoming intricately connected to a global system of cities.

¹ Shlomo, A. et al. (2012) *Planet of Cities*, Washington: Lincoln Institute for Land Policy

Modern cities are part of a new economic geography which makes them increasingly dependent on fast communications, trade, finance, and investment systems to support their development. However, many parts of the global and national systems of cities are not benefiting significantly from the ‘new age’ and economic geography of cities. Most of these are the secondary and small cities of less than a million people. Many of these are struggling to create or retain jobs; have high levels of unemployment; and find it difficult to diversify and revitalise their economies, retain capital and attract investment. Others are rapidly growing cities which do not have the capacity to manage urbanisation. Many of these face a huge backlog in demand for infrastructure, housing and other essential urban services.

The CIVIS series shares knowledge and learning arising from Cities Alliance projects and other activities in slum upgrading and city development strategies. It also serves as a platform for policy dialogue among city development stakeholders, including national and local governments, donors and slum dwellers to impact change in the lives of the urban poor and advance the urban development agenda.

Figure 1: The unrecognised primacy of secondary cities worldwide



Source: UNDESA 2011 Urban population, number of cities and percentage of urban population, by size class of settlement, major area and region, 1975-2025, in World Urbanization Prospects, 2011 Revision, United Nations and Social Affairs/Population Division, New York, 2012, pp. 296. http://esa.un.org/unup/pdf/FINAL-FINAL_REPORT%20WUP2011_Annextables_01Aug2012_Final.pdf

Secondary cities are growing the most but with fewer capacities to plan and manage urban development and promote employment and economic growth. Due to their sheer growing number, it is systems of secondary cities, such as cities with fewer than one million inhabitants, that will have a greater influence upon the future economic development of nations and larger geographic regions.

Globally, there are more than 2,400 cities in the world with populations between 150,000 and 5 million which could be loosely described as secondary cities. Nearly two thirds of these are located in Africa and Asia. Secondary cities range in form and size from 150,000 to 5 million people and perform a wide range of functions in national and international systems of cities.

Secondary cities will play an important role as catalysts and secondary hubs in facilitating the localised production, transportation, transformation, or transfer of goods, people, trade, information, and services between sub-national, metropolitan, national, regional, and global systems of cities. They will likely demonstrate the presence of industry

agglomeration and clusters; a system of well-developed, localised supply chains and networks; a diversified economic and employment base; and a broad housing mix.

However, not all secondary cities are the same. Growing disparities in the economic, physical and social development between systems of cities can be observed. The consequences of this are growing gaps in income, poverty and levels of employment especially between primary and secondary cities. Many secondary cities are struggling to raise capital and attract investment needed to build infrastructure, productive enterprises and vibrant communities needed to create dynamic economies, improved livelihoods and jobs.

How to enhance the connectivity, efficiency, investment generation, and employment in secondary cities to create more dynamic local economies, ensure greater equity and development opportunities, and stimulate trade and competition between systems of cities are challenges for governments and development partners.

Definition of a Secondary City

A secondary city is largely determined by population, size, function, and economic status. Commonly, secondary cities are geographically defined urban jurisdictions or centres performing vital governance, logistical, and production functions at a sub-national or sub-metropolitan region level within a system of cities in a country. In some cases, their role and functions may expand to a geographic region or the global realm. The population of secondary cities range between 10-50 % of a country's largest city, although some can be smaller than this. They will likely constitute a sub-national or sub-metropolitan second-tier level of government, acting as centres for public administration and delivery of education, knowledge, health, community, and security services; an industrial centre or development growth pole; a new national capital; or a large city making up a cluster of smaller cities in a large metropolitan region.

What is a Secondary City?

Secondary city is a term most commonly used to describe the second tier, or level, in the hierarchy of cities below the primary level. Some countries have several orders, or levels, of cities. A primary city is defined as “the leading city in its country or region, disproportionately larger than any others in the urban hierarchy”.² The definition of secondary cities, however, is contextual: it can relate to population size, administrative area, political, economic, and historical significance of a system of cities below the primary order of cities within a country or geographic region. The term “secondary city” was popularised by Rondinelli³ in the 1970s. His definition characterised secondary cities as urban settlements with a population of at least 100,000 but not including the largest city in the country. His research was originally intended to help develop policies to stimulate the economies of rural areas surrounding secondary cities.

UN-Habitat defines a secondary city as an urban area generally with a population of 100,000 to 500,000. This definition is based on the classification of cities⁴ developed in the 1950s. However, a secondary city

² Goodall, B. (1987) *The Penguin Dictionary of Human Geography*, London: Penguin Group

³ Rondinelli, D. A. (1983) *Secondary Cities in Developing Countries: Policies for Diffusing Urbanization*, California: Sage

⁴ Davis, K. (1955) “The origins and growth of urbanization in the world,” *American Journal of Sociology*, vol. 60, no. 5, pp.429-437.

today can have a population of several million people. In China, some secondary cities have populations of over five million. These cities are not comparable to secondary cities in Ethiopia, which have urban populations of less than 200,000. Other authors⁵ suggest secondary cities as not so much defined by hierarchy, but as part of an integrated functional system of national or global system of cities. Angel et al., also refer to the satellite cities that make up large metropolitan regions as secondary cities.

Secondary cities fall into three broad spatial categories:

- (i) Sub-national cities that are centres of local government, industry, agriculture, tourism and mining;
- (ii) City clusters associated with expanded, satellite and new town cities which surround large urban metropolitan regions; and
- (iii) Economic trade corridors that are urban growth centres or poles planned or developing along major transport corridors. (Figure 2 shows examples of the three typologies of secondary cities.)

Many secondary cities, regardless of size, have similar characteristics and functions. Increasingly, economic geography shapes the functions of these cities, rather than actual area or population size. The importance of function has, thus, become of more interest and importance in shaping urban policy, planning, and development than it has in the past. Population size is a measure of urban scale, but not necessarily an indicator of the level of significance a city has in the new global system of cities. Strategic infrastructure, investment, and systems of supply chains servicing secondary cities are becoming increasingly linked to the scope of local economic activities than scale. This has important implications for urban managers, officials, and policy makers of secondary cities on the way they plan and develop enabling environments and strategic infrastructure to support the development of more competitive cities.

⁵ Christaller, W. (1933) *Die Zentralen Orte in Süddeutschland*, Jena: Gustav Fischer; Christaller, W. (1966) *Central places in southern Germany*, New Jersey: Prentice Hall and Hall, P. (2005). “The World's Urban Systems: A European Perspective,” *Global Urban Development Magazine*, vol. 1, no. 1, pp.1-12.

Figure 2: Spatial, scale and functional framework to defining systems of secondary cities

Order of City	Functional and Market Orientation	Supra 50 m+	Mega 10 m +	Metro 5-10 m	Meso 1-5m	Micro 0.2-1 m	Mini > 0.2 m
Global	Large multiple clusters of high value services and manufacturing engaged in global trade						
Sub-Global	Clusters of services and manufacturing engaged predominantly in regional trade			Primary			
National	National government, logistics, services and manufacturing centres						
Sub-national	Sub-national provincial Government, logistics, services and manufacturing centres					Secondary	
District	District level Government, services and processing						
Sub-district	Resource rural-based service industry centre					Tertiary	

Source: Land Equity International

Primary cities have dominance in global market orientation, scope and function. Global primary cities are important logistical and market centres and hubs. They contain concentrations of large multiple-industry clusters and have a command position in global trade and investment. Furthermore, primary hubs are usually capital cities that dominate the national political, administrative, and defence systems. For small nations, the primary city may have a population of only a few hundred thousand people, but they are national centres of governance and the economic system. Small primary cities certainly do not have the political or economic power of mega cities, and are relegated to secondary or lower systems of order in a regional and/or global context.

In seeking to come up with a more contemporary definition for the term secondary city, we must acknowledge that population size has a significant influence on the classification of secondary cities. However, functionality, specialisation and competitiveness also affect whether a city has a primary or secondary city status. A hybrid definition for a secondary city is proposed that integrates size, function, and role within a network of national, regional and global system of cities.

A secondary city is largely determined by population, size, function, and economic status. Commonly, secondary cities are geographically defined urban jurisdictions or centres performing vital governance,

logistical, and production functions at a sub-national or sub-metropolitan region level within a system of cities in a country. In some cases, their role and functions may expand to a geographic region or the global realm. The population of secondary cities ranges between 10-50% of a country's largest city, although some can be smaller than this. They will likely constitute a sub-national or sub-metropolitan second-tier level of government, acting as centres for public administration and provision of education, knowledge, health, community, and security services; an industrial centre or development growth pole; a new national capital; or a large city consisting of a cluster of smaller cities in a large metropolitan region.

So, the function and integration of secondary cities in a system of cities differ considerably. Broadly, there are three characteristics of secondary cities:

1. The first is a group of secondary cities that have a strong growth path and a dynamic local economy. These cities are well connected nationally and internationally in a system of competitive trade, development, and investment. These are *lead secondary cities* and have a strong export focus and an outward orientation. They are the tourist, resource, and star manufacturing cities, such as Denpasar (Bali, Indonesia), Belo Horizonte (Brazil), and Durban (South Africa).

2. The second group represents the moderate and boomtown economies, driven by migration and a diverse range of economic activities servicing local and national markets. These tend to be larger agricultural and manufacturing cities. The former often struggle to attract investment and create sustainable jobs. The latter are located at the peri-urban fringe of large metropolitan cities. Many are growing rapidly as a result of deindustrialisation and the establishment of export-processing zones, which are the catalyst for their development. Others are also struggling to manage urban development and environmental issues. These are the meritocracy economies, which are striving to become more competitive. Many cities in Brazil, China, and India are in this category.

3. The third group comprises highly depressed cities which include large numbers of urban poor people. These are the “*laggards*”. They fall into two types. The first are cities experiencing increasing urbanisation, rising poverty, little investment, and scant formal-sector job creation. Most secondary cities in Africa fall into this group. The second

are cities in economic decline as they move into a post-industrial and declining population phase. Many secondary cities in Europe, North America, and Japan fall into this category. They are becoming increasingly disadvantaged, disconnected, and less able to compete for trade and investment within the national system of cities. These are the forgotten secondary cities. In the race for development, they are struggling to make any headway in lifting their economies, overcoming poverty, and improving the liveability of the environment for residents.

Supporting Growth in Secondary Cities: Experiences, Bottlenecks and Policy Options

There are significant differences and some similarities in the way countries approach the development of secondary cities. The following important lessons and observations are drawn from a Global Study commissioned by the Cities Alliance on Systems of Secondary Cities in five regions and 16 countries.



Strategic infrastructure investments in secondary cities need to be linked to Local Economic Development. Photo by Cities Alliance Secretariat

Governance and Decentralisation

Most countries have adopted policies to support decentralisation, as well as national and regional economic development and urbanisation plans. However, the success in implementing such policies is mixed. In Federal states, where there is a high level of decentralisation and devolution of government functions for property, development, taxation, economic development, community and social services, such as Australia, USA, and to a lesser extent Brazil, secondary cities tend to be more dynamic and competitive economies with low socioeconomic disparities between systems of cities. In countries where there is a high level of central control and the responsibilities of local governments are limited, such as Bangladesh, Tanzania, and Venezuela, the development disparity between secondary cities is much higher. The lesson from the Global Study suggests that the greater the levels of decentralisation, devolution, and autonomy secondary cities have, the more competitive, dynamic, and self-sufficient they are likely to be. Disparities in the level of development between systems of cities are also significantly less.

National Policies on Urbanisation

Some developing countries have a strong anti-urbanisation bias or policies and actively try to prevent people migrating to cities. Most of these countries have very low levels of urbanisation. There is a strong positive correlation between the level of urbanisation and economic development. Many countries recognise this and have developed national urban development plans to support greater diversification and a broad mix of city sizes in the makeup of their urban systems. National physical development plans show the desired pattern of urbanisation and development; however, they are often prepared in isolation to national social-economic plans. As a result, there is very poor linkage of the dependencies between them. There is a tendency for a much greater proportion of public resources per capita to end up supporting the development of the nation's largest cities, leaving the system of secondary cities under-resourced and lagging well behind in the provision of infrastructure and essential services. There is a poor understanding by governments of what resources are needed to

support the development of a national system of cities, and how public resources should be allocated to support the development of entire urban systems. Our research shows that countries that implement urbanisation policies to improve the overall efficiencies and development of the national system of cities, are much more successful in managing urbanisation, city development, and ensuring equity between cities than countries that allocate a disproportionate amount of their public resources to the development of one or two large cities.

Competitiveness of Secondary-Cities Development

Secondary cities must learn how to be more competitive, especially if they are to become successful in engaging in trade and foster local economic development. This does not mean that all secondary cities need to be internationally competitive, but they must become more nationally competitive.⁶ Some cities, by virtue of the link they have with the global system of cities and trade, will always have to focus on being internationally competitive. Others will only need to compete within the national league of cities. What is imperative is that laggard cities must focus on enhancing their governance efficiency and business competitiveness.

Countries that seek to measure and encourage greater competition between cities, such as Switzerland, and more recently, India and China, are forcing local governments to take measures to enhance city competitiveness and liability to attract jobs and investment. Some cities, such as Busan (Korea), Curitiba (Brazil), and Durban (South Africa) have been very successful in focusing the machinery of government to increase the competitiveness of cities. Many secondary cities in developing countries have no understanding of how to become more competitive, and national governments do little to encourage them to do so. Countries that actively foster competition and trade between cities have the most competitive secondary cities.

⁶ Batty, M., et al. (1995), *Cities in competition: productive and sustainable cities for the 21st Century*, Melbourne: Longman Australia; Begg, I., (2002) *Urban competitiveness: policies for dynamic cities*, Bristol: The Policy Press and Harris, N. (2007) "City Competitiveness" *World Bank study of competitiveness in four Latin American cities*, Washington DC, World Bank.

One way of helping secondary cities to enhance their competitive advantage is through co-operative competition. Ben Hecht, President and CEO of Living Cities, states in his piece “Collaboration is the new competition” that cities will not be able to solve their problems without co-operating.⁷ Two good examples are Glasgow and Edinburgh,⁸ which are seeking to co-operate in sharing knowledge, infrastructure, and services to overcome some of their weaknesses in these areas.

Another good example is the cross-country co-operation between Singapore and the secondary cities of Jahor Baru (Malaysia) and Bintan Batam (Indonesia).⁹ These cities collaborate on the manufacturing and export of products. Each city has specialised roles in the production of a wide range of manufactured products, with integrated supply chains among the three. The collaboration has given the three cities a global competitive advantage in the production of chemicals and the manufacture of technology-based equipment.

Tapping Into and Developing Latent Capital

Unlocking and capitalising on latent capital is a high priority for South Asia, Sub-Saharan Africa, and Central Latin American countries, where attracting investment to create sustainable employment is a major challenge for secondary cities. This cannot be achieved without significant policy reforms at the central government level. The reforms must give secondary cities the opportunity and power to capitalise and leverage assets to ensure local land, property, and financial markets function more efficiently, effectively and profitably.

Growth-pole policies are often criticised by economists because governments usually select the winners and often push supply-side economic growth strategies and development models that

7 Hecht, B. (2013) “Why Collaboration Is the New Competition”, Harvard Business Review. Retrieved 30 April, 2013, available: http://blogs.hbr.org/cs/2013/01/collaboration_is_the_new_compe.html.

8 Noone, V. (2007) Collaborate to Compete Glasgow, Edinburgh - Glasgow: Scottish Enterprise.

9 Toh Mun, H. (2006) “Development in the Indonesia-Malaysia-Singapore Growth Triangle”, East Asian Bureau of Economic Research. Available 30 April 2013: <http://saber.eaber.org/node/21818>

have failed in the past. Many developing countries have demonstrated that the development of growth poles can provide the catalyst for transforming and developing secondary cities. The focus, however, must be on demand-side expansion, by unlocking the latent underperforming capital tied up in assets, land, human capital, governance, and tax-revenue collection potential, to expand opportunities for formal-sector employment and regional investment in land and housing development, transport, and trade-based construction industries, health, financial, ITC, and education services.

With reforms to domestic capital markets and banking systems, there is high potential to collateralise underutilised public and private assets in secondary cities. This model underpinned development in Korea and Chinese Taipei. Initiatives to unlock and develop local-capital markets and improve economic governance systems are needed for developing countries to ensure a more balanced, sustainable pattern of urban growth and development - especially in secondary cities.

“There must be a greater focus on supporting endogenous growth in secondary cities as many do not have the capacity or advantages to engage in exogenous export-orientated growth. New combinations of exogenous and endogenous growth strategies are necessary to develop secondary cities in poor regions.”

*Brian Roberts, Author of the book
Systems of Secondary Cities*

Rectifying the Imbalances in Systems of Cities

The overconcentration of economic output in one (or sometimes two) very large cities also increases the vulnerability of national economies to catastrophic events and shocks, as was the case with the 2011 Bangkok floods. Countries where urban systems appear to be more balanced and efficient are those where there is a wide geographic spread and hierarchy of cities, and there are high levels of connectivity, competition, and trade between them. Rectifying imbalances between systems of cities requires strong national policies directing a higher level of per-capita resources to secondary cities and regions where governments want development to occur. These policies have been successful in countries such as Korea and Australia, and to a lesser extent Brazil, India, and China. It is also important for governments to build upon comparative advantages between secondary cities and the leveraging of resources, so that secondary cities and regions mobilise latent capital to match national government funds for major infrastructure projects in cities, as was initiated by the National Urban Renewal Mission¹⁰ in India and the Building Better Cities Programme in Australia.¹¹

Getting Urban Systems Integrated and Flowing

Flow systems are perhaps the most important factor in supporting the development of secondary cities in getting urban systems integrated and flowing, and in keeping them going. Urban systems in most secondary cities are poorly integrated, badly designed and therefore weak. Secondary cities need flow systems (material, information, finance, governance, and utilities) capable of supporting supply chains that keep government, business, and communities operating. Urban systems tend to become damaged, rundown or neglected which impedes their operation. No matter how weak these systems are, many are remarkably adaptable and can be patched up to provide a system that operates. Studies have shown that minimal



¹⁰ JNNURM (2005) "Toolkits for Reform", *Ministry of Urban Development and Ministry of Urban Employment & Poverty Alleviation*, Delhi: Government of India.

¹¹ Auditor General (1996). "Building Better Cities. A joint government approach to urban development", Melbourne: Victorian Government.



Central Market in Kumasi, Ghana. Photo by Cities Alliance Secretariat

expenditure on fixing and maintaining essential urban infrastructure can add 2% to the GDP of economies¹² while improving information, logistics, and governance systems can add significantly to improving the productivity and livelihoods of people living in cities. However, the efficiency of urban systems relies on the quantity, quality, level of use, availability of resources, and the governance systems used to plan, develop, operate, and maintain them. Investment in human capital development is the most necessary to improve the integration and flows in urban systems in secondary cities.

Responding to the Challenge: The Cities Alliance Country Programmes

A good example of Cities Alliance support to secondary cities is its programmatic approach through the Cities Alliance Country Programmes in Uganda, Mozambique, Burkina Faso, Ghana and Vietnam. Country Programmes are longer-term, programmatic approaches, supported by a group of Cities Alliance members, to improve co-operation among national and local governments, urban poor communities, investors and other partners. Country Programmes focus on achieving four main outputs deriving from the Cities Alliance results framework: national policy frameworks, local inclusive strategies, building capacity of cities, and mechanisms to engage citizens.

The Country Programme in Uganda, for example, has leveraged US\$150 million in financing from the World Bank to develop urban infrastructure and service delivery in 14 Ugandan municipalities. Launched in 2010, the Transforming the Settlements of the Urban Poor in Uganda (TSUPU) Programme is fast becoming recognised within the global community as a best practice example. It has established the importance of alignment at the national, municipal and civil society levels, and has also demonstrated how such alignment brings greater coherence of effort both within government and from its support partners.

¹² Kessides, C. (1993) "The Contribution of Infrastructure to Economic Development: A Review of the Experience and Policy Implications", Report no. 213, Washington: World Bank.

Figure 3: Outputs and Activities of Country Programmes

Outputs and Activities of Country Programmes

National policy frameworks developed and/or enhanced to address urban development needs	Local inclusive strategies and plans developed and implemented	Capacity of cities to provide improved services to urban poor strengthened	Mechanisms to engage citizens in urban governance developed
<ul style="list-style-type: none"> ▪ Develop national urban policies ▪ Build capacity to train urban planners ▪ Strengthen city associations 	<ul style="list-style-type: none"> ▪ Develop methodology for CDS and slum upgrading ▪ Develop CDS and slum upgrading plans in selected cities ▪ Profile and map settlements 	<ul style="list-style-type: none"> ▪ Enhance city management capacity ▪ Establish city upgrading funds ▪ Consolidate linkages between planning and investment 	<ul style="list-style-type: none"> ▪ Establish national, city and settlement level forums ▪ Support organisations of the urban poor ▪ Build regional and national networks of the urban poor
			

Initially focused on five secondary cities (Arua, Mbale, Mbarara, Jinja and Kabale), TSUPU mobilised nearly 14,000 slum dwellers into 303 savings groups, which were federated into committees at the settlement and city development level. These urban poor organisations worked in partnership with municipalities to identify and prioritise projects, and then oversaw their implementation. The projects were financed by small grants from a fund managed by the municipal government. The practical experience gained through this process provided the upfront

institutional framework to support the World Bank’s US\$150 million Uganda Support to Municipal Infrastructure Development (USMID) project, expanding TSUPU from five to 14 secondary cities. The nine new TSUPU towns are Gulu, Lira (Northern Uganda), Soroti, Moroto, Tororo, Entebbe, Masaka, Fort Portal and Hoima. In all of these cities, the TSUPU initiative will help ensure that the urban poor are actively engaged in planning as citizens with rights and responsibilities. It will also help ensure effective oversight of government budgeting and expenditure.

Secondary Cities At a Glance

- Population size is still the determining factor in the definition of a secondary city, but in an age of growing competition, trade, and exchanges between cities globally, the meaning of the term has changed. A secondary city will likely have a population or economy ranging in size between 10% and 65% of the nation's largest city. Today, however, it is the function and role that are increasingly defining a secondary city's status within the global system of cities.
- There are more than 2,400 cities with populations of between 150,000 and 5 million that could be loosely described as secondary cities. More than 60% are located in developing regions and countries. Many of these cities are struggling with the problems of rapid urbanisation, poverty and job creation.
- Globally, there is a growing gap in levels of socioeconomic development disparities occurring between secondary and primary cities that has a significant bearing on their capacity to develop and compete for trade and investment.
- There is very poor data and information available on the economy, land, finance, infrastructure, and governance of secondary cities. This situation is severely affecting cities' capacity to plan and manage urban development and promote employment and economic growth. There is an urgent need to support national and regional research centres.
- Most are sub-national capital cities responsible for secondary level of government; a key manufacturing, primary, or resource-industry centre or a global centre of cultural, natural, or advanced-industry significance. They can also be major satellite cities forming a cluster of cities in a metro-region city.
- The development of inland secondary cities in developing regions lags well behind those located on coastlines or major river systems.
- There are three broad types of secondary cities economies emerging globally: "leaders", "lagging", and "laggards." Most fall into the latter category and are located in Sub-Saharan Africa and Asia. These cities are mainly driven by population growth and consumption. Most are poorly managed, have weak infrastructure, poor communication systems within and between cities, and are not very competitive.
- There must be a greater focus on supporting endogenous growth in secondary cities since many do not have the capacity or advantages to engage in exogenous, export-orientated growth. New combinations of exogenous and endogenous growth strategies are necessary to develop secondary cities in poor regions.
- International development agencies are showing interest in supporting the development of secondary cities because of their importance as hubs and catalysts in unlocking the development potential of sub-national regions.



Most secondary cities are struggling to raise capital and attract investments for basic infrastructure. Photo by Cities Alliance Secretariat

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