**Are rising cities a panacea for economic growth in Africa? The case of Ghana and Tanzania**

**Abstract**

There is consensus on the interdependence between urbanisation and economic growth. However, whether urbanisation is a stimulus for growth or a byproduct of growth remains contested. While African nations are urbanizing, there have not been commensurate dividends in the socioeconomic fortunes of many, as urban poverty and social problems in cities remain. Recent pattens of urbanisation and economic growth in many African countries tend to challenge the prevailing rhetoric that cities are the engines of growth. Thus, key questions remain: Is urbanisation a panacea for socioeconomic growth or is this relationship contingent on some preconditions and policies? In this paper, we interrogate development trajectories of two African countries which have maintained sustained economic growth with accelerating urban transitions-Ghana and Tanzania. We draw evidence from United Nation’s population data, world development indicators from the World Bank, national sample surveys and existing literature including institutional reports. The linear relationship between urbanisation and economic growth is evident in both countries in terms of GDP per capita. A large and rising share of economically active population aged 25-64 is an asset for both countries. In Ghana, cities have remained the engine of economic growth evidenced by the continuous rise in urban based services as a share of GDP and declining share of Agriculture. The corollary is reduction in urban poverty but a rise in rural poverty. National level gains in poverty reduction is attenuated by inequality between urban and rural localities. In Tanzania, reduction in absolute poverty (comprising basic needs and food) in 2020 was evident comparing with 1991 levels. The dominance of private, local, and informal sector in the cities which is characterized by female-dominated retail and wholesale as well as the dwindling industry sector have given rise to consumption cities and not production particularly in Ghana. Consequently, job creation in cities is not in tandem with the rising skilled population resulting in unemployment and underemployment to a larger extent. The rising demand for food in cities has been met by the import of food and agricultural products further weaking the Agricultural sector and rural localities. Recent Agriculture sector interventions have started yielding dividends by boosting the productivity mainly through food crops production. Informality in cities and the associated congestion, growth in slums, and deficit in social amenities such as sanitation services remain a byproduct of the unplanned urbanisation. Levels of urbanisation and growth vary in Tanzania and Ghana context and would require varying degrees of urban policies. Broadly, urban policies which aim at generating resources, connecting urban markets to rural goods, building the foundation to expand economic activities beyound the informal sector, and building robust city infrastructure and services could create sustainable economic growth.