The 10 TRAITS of GLOBALLY FLUENT METRO AREAS

GLOBAL CITIES INITIATIVE
A JOINT PROJECT OF BROOKINGS AND JPMORGAN CHASE

NAIROBI

GDP (country rank), 2009[1]	Share National GDP, 2009[2]	GDP/Capita, 2009[3]	Population, 2019 (country rank)[4]	Share National Pop., 2019[5]	GaWC Global City Ranking, 2010[6]	# Global 2000 HQs, 2012	GDP/c Growth 1993-2012
$12,000,000,000[7] (1)	~50 %	$3,406	3,523,000 (1)	9.12%	113	N/A	N/A

1) Benchmarks — what is the city's recent ranking performance in terms of global firms, connectivity, diversity, range of cultural assets, immigrants, visitors?

Nairobi is the capital of and largest metro area in Kenya, with a population of nearly seven million. Situated in East Africa, 300 miles from the Indian Ocean, almost halfway between Johannesburg and Cairo, it is clearly positioned as one of Africa's three leading cities. It is a steady 56th in the Global Cities Index, but is closing the gap on Cairo (50th) and Johannesburg (52nd) thanks to its growing role as an information and diplomatic hub.[8] The city is predicted to be one of the fastest-growing urban economies in the world between 2010 and 2016 by the Economist Intelligence Unit (EIU).[9] The city is now the 80th most visited in the world, with more than 1.8 million tourists in 2011, overtaking Athens, Abu Dhabi, and Rio de Janeiro.[10] Nevertheless, it is still one of the cheapest major cities to live in, at 66th of 72 world cities according to UBS in 2012.[11]

Nairobi's progress in the next phase depends on how well infrastructure development is organized and how effectively high-skill workers can be attracted. AON Consulting rates the risk of finding or attracting corporate talent to the city as the joint 13th highest of over 130 world cities, comparable to Rabat and Algiers, and a long way behind Johannesburg (70th).[12] The quality of physical infrastructure, transport, and telecommunications is rated in the bottom 10 of 120 cities by the EIU. Although global appeal and cultural vibrancy are evaluated above most bottom-tier cities, the effectiveness of its political, legal, and finance-collecting institutions is behind almost all other emerging centers, including Colombo, Lima, and Guangzhou.[13]

2) Narrative – the city's journey into and through globalization. What kind of economic and development trajectory has it taken? What has changed over time?

Nairobi's history as a site of interconnection began in 1899 at the high point of British imperial expansion. The construction of the Uganda railway from Mombasa to Lake Victoria saw the town created from scratch as a temperate stopover location; it then benefited from subsequent relocation of railway administration functions from Mombasa.[14] Nairobi was conveniently located for colonial civil servants of the British East Africa protectorate, and it rapidly became a trading and employment center attracting commercial activity.

Infrastructure development led to it being named the regional capital in 1907, and it reached a population of 20,000 during the 1910s. In this period new arrivals included not only Africans and British but also Indian and Pakistani communities, forged through colonial networks and settled by the colonial administration to assist in railway construction. The Indian quarter came to occupy the eastern portion of the city, next to the European business district in the west.

Nairobi's growth was then spurred by demographic pressure and economic challenges in surrounding rural areas, especially in Central Province. Most incoming Africans between 1910 and 1950 were male, based in Nairobi transitorily for periods of work, often linked to the railway, moving back and forth from the Kenyan hinterland. This situation was a factor in the lack of systematic spatial and economic planning for the city. Nevertheless, railway employment boosted the skills and education of African workers in Nairobi, while the Asian population occupied an intermediate position in the city's economy.

After 1945, the city initially had a population of close to 100,000, and it became subject to a new planning scheme, titled "Nairobi, Master Plan for a Colonial Capital," as zoning began to take shape.[15] This zoning both deliberately and inadvertently fostered sociospatial segregation within the capital. One of the last acts of the British administration was the construction of an international airport in 1958.

By the time of independence in 1963, relaxed national immigration laws meant Nairobi's population was rising rapidly. Fewer than one in 20 people living in Nairobi in this period had been born in the city.[16] Small-scale trade of basic commodities, rather than international exchange, was predominant. The promotion of the needs of African nationals ahead of Indian communities, through such acts as the revocation of trading licences, led to the departure of over 100,000 Indians in the 1960s and 1970s. Rapid immigration from the rest of Kenya presented infrastructure and service delivery pressures, linked to a lack of housing and educational opportunity. International organizations such as the Commonwealth Development Corporation and the World Bank became active in providing development funding to solve such problems.

In 1973 the Nairobi Metropolitan Growth Strategy constituted the first rigorous attempt to develop policies around employment, transport, and future land use. This strategy's intention for decentralization continued to formally apply up until 2000, although it was blighted by the absence of political mechanisms to control development and implement road systems. This absence reached its apex between 1983 and 1992 when the mayor's position was abolished in favor of national commissions. Large debts were compiled and services declined during this decade when the city became over-reliant on a trickle of central government investment.[17] Nairobi's rapid expansion had confounded the inadequate spatial planning scheme and resulted in poor basic infrastructure and congestion. While international immigration stalled, the Indian population gradually grew again, acquiring subsidiaries of multinationals established after independence. Furthermore, in a significant move, the United Nations established and grew its office presence in the central city.

Nairobi's economy underwent difficult changes after a restructuring and privatization program agreed to in 1990 produced widespread public-sector job losses. The city's formal economy stagnated as informal and unregulated activities flourished. Opening up to the global economy initially resulted in declining living standards and growing inequality and division, exacerbated by the arrival of growing numbers fleeing violence from Somalia, Rwanda, and Burundi. In 1993, "The Nairobi We Want" campaign sought to address quality-of-life issues under the leadership of Mayor Steve Mwangi, as the city council returned to the forefront of the

urban governance matrix.

Although the agenda ultimately proved more aspirational than tangible, it did permanently raise the profile of Nairobi's leadership and strategy needs at all levels of government and initiated a period of local government reform. Since the 1990s, the Nairobi City Council has been supported and supplemented by a range of government agencies and private-sector bodies in the delivery of infrastructure and provision of core services, although coordination failures have been frequent. The embedding of a multiparty electoral system has stimulated the formation of partnerships – such as Nairobi CBD Association – to address issues of housing, poverty, and investment revenue.[18] Investment from Europe, the United States, and China has grown steadily in the last decade to fill gaps in infrastructure and services.

Since 2008 the national government has become a more active and engaged stakeholder in Nairobi's development and issues of international positioning; for example, it created a dedicated Ministry of Metropolitan Development. The recent Nairobi Metro 2030 strategy commits the city to attracting investors and visitors as a means of creating one of Africa's most livable and sustainable metropolitan areas. This ambition is supported by an improving business climate relative to troubled economic and political conditions in Egypt, Nigeria, and South Africa.

The metropolitan region's principal economic levers over the next two decades are finance, trade and business services, and agribusiness, supported by tourism and recreation. These sectors reflect the growing access of Nairobi's middle class to internationally traded services and the reputation already achieved by the city's international schools, retail market, and creative industries. Strategy documents indicate that the city seeks to create a unique identity, fostered through public and private investment, especially in housing and core infrastructure.[19] The forthcoming planning framework is expected to provide a degree of coordination to urban growth, reduce congestion, and provide greater inclusivity to poorer and more rural populations in the region.

3) Elements of international and global orientation - In what ways is the city globally connected and relevant? What sort of trade patterns does it exhibit?

A growing number of multinational corporations have regional headquarters in Nairobi, either for Africa, East Africa, or sub-Saharan Africa. These include several world-class technology and research firms. Most prominent among these are Google, Cisco, Intel, IBM, Huawei, RTI, Motorola, Nokia, and Pfizer. More recently, Chinese government investment has part-financed ring road, motorway, rail, and airport infrastructure, and there is a growing Chinese media presence in the city since 2011.[20] Foreign direct investment from U.S. firms has been made in a diverse range of sectors, including green energy.

In addition to the substantial UN presence, Nairobi is the Africa headquarters for the World Bank and International Monetary Fund, while other agencies with an established base in the city include the Food and Agriculture Organization, the International Labor Organization, and the World Health Organization. This means the city benefits from ongoing oversight, investment, and best-practice learning from important and well-resourced global organizations.

The European population has fallen from its proportion of 8 percent upon independence, but remains visible, with British groups the most numerous in the city. Somalis have been the fastest-growing immigrant group over the past two decades.

Kenyan Airways has become an important driver of Nairobi's internationalization. The airline serves a growing number of capital cities, and is Kenya's primary example of a modern domestic corporation with the capacity to compete internationally. It plans to launch services to North America, South America, and Australia by 2017, thereby serving every major continent. Seven new routes into China and six into South Asia are also scheduled, reflecting the new balance of economic power. The expansion is forging partnerships with Xiamen (Xiamen Airlines), Hanoi (Vietnam Airlines), Seoul (Korean Air), and Moscow (Aeroflot).[21]

4) To what extent is the city's international dimension inherited or intentional?

Nairobi's selection as a colonial capital, because of its central location and natural assets, has enabled it to draw in more foreign resources than any other Kenyan city. It is now more than four times the size of the next largest city, Mombasa. Its gateway position in East Africa has grown not least because of the larger size and demography of the Kenyan nation and because of persistent conflict and underdevelopment in nearby cities such as Mogadishu and, until recently, Addis Ababa. The city has only Addis Ababa as a plausible regional competitor, and is much closer than Johannesburg to South Asian and Middle Eastern markets.

Although the configuration of local and national government systems has not been cohesive or oriented toward international growth, especially in the 1970s and 1980s, there are indications that the government is committed to inserting Nairobi into global services value chains. The recent establishment of the 32,000-square-kilometre Nairobi Metropolitan Region acknowledges the functional economic area despite its diverse population and land-use composition. The region comprises the Nairobi City Council – which administers over four million people – and 14 other local authorities. Its creation was the result of a newly formed Ministry of Nairobi Metropolitan Development in 2008, the brainchild of the national government, which seeks more integrated spatial and strategic growth. The Kenya Vision 2030 strategic document provides a clear direction for Nairobi to develop as Kenya's only 24-hour, globally competitive business city.

Nairobi's advantages of education, skills, and international market experience have proven important in attracting more than its fair share of international investment into East Africa over the past two decades. Many of its institutions are more than half a century old and based on British models and standards. This tradition has been a factor in its attraction to international corporations, development bodies (the United Nations headquarters for UNEP and UN-Habitat), and nongovernmental organizations. This attraction in turn has helped facilitate investment in higher education institutions, and is now leading to proactive efforts, led by firms such as IBM, to find solutions to protracted urban problems. Nairobi University is among the top 20 in Africa, and it hosts almost 1,000 international students, of which more than 100 are intercontinental.[22] Nairobi's new phase of organized, intentional global positioning is able to draw on a powerful brand identity, especially (but not only) within the Commonwealth. Its brand has long been associated with scenic natural features in its hinterland, namely its safari game reserves. As early as the 1910s, a number of impressive hotels were built in the city to cater to the enthusiasm for big game hunting nearby among British colonialists. Access to safari tourism, combined with a mild climate, continue to drive tourist revenue and develop Nairobi's international profile.

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