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## **INFORMAL SECTOR ACTIVITIES AND URBAN SPACE DEVELOPMENT IN KUBWA, FCT**

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### **Abstract**

*The informal economy has experienced rapid growth in developing countries and has consequently attracted increasing attention among academics, researchers, social development activist, and policy planners. This study therefore seeks to assess the relationship between informal sector activities and urban space development in Kubwa, FCT, Nigeria. The study adopts the quantitative research approach to provide answers to the research questions. The data for the study were gathered from primary and secondary sources through survey, and direct observation. A total of 234 informal sector operators were sampled for the study using multi-stage sampling technique. The informal sector activities were classified into three namely: production, retails, repair and services. The data collected were analysed using descriptive statistical tools such as frequency, percentage, and mean using the XLSTAT statistical software. The study revealed that informal economic activities provide livelihood (employment) to many people in Kubwa, irrespective of age, gender, or literacy level. The study established that informal sector operators are major players in urban space development, consuming about 142 hectares of land. However, no adequate provision or allocation was made for informal activities within Kubwa, which led to the encroachment of marginal land, road corridors, and public spaces. The study therefore recommends that deliberate attempt should be made to provide space for informal economic activities to reduce the rate of public land encroachment in Kubwa.*

**Keywords:** *Informal Sector, Livelihood, Poverty, and Space Development*

## INTRODUCTION

The informal sector is one of the sectors of the economy that employs a large proportion of the population, and it has expanded rapidly in both developed and developing countries around the world (Nwaka et al., 2015; Ibrahim, 2017). For several reasons, the informal sector is an important part of national economies. It provides consumers with low-cost products and services, and it serves as a reservoir for the individual reserve force, keeping the formal sector of the urban economy at bay (Gottdiener and Budd, 2005; Prasad, 2007) and finally, it provides opportunities for earning income to the indigenous city residents and poor migrants (Prasda, 2007). In Africa, the informal sector employs 85 percent of the population, while it employs 65 percent in Nigeria. In the first quarter of 2014, the informal sector contributed the most to Nigeria's job growth, accounting for 158,894 workers, or 65.97 percent of total jobs. In the second quarter of 2014, the informal sector added 175,786 workers, or 65.97 percent of total jobs generated (Onakola and Banwo, 2015). Despite the informal sector's contribution to the national economy and Nigeria's urban poor's livelihood, especially in Abuja, informal activities take place in unpredictable and non-traditional locations such as private homes, highways, sidewalks, municipal markets, and open spaces (Onakola and Banwo, 2015). The informal economy actors are also more vulnerable to government hostility because they work outside of government regulations and lack social protection; they lack access to infrastructure, financial, and physical resources; they have less job rights and benefits; and they are more likely to be excluded from government institutions (Chen *et al.*, 2014).

Even though sufficient arrangements are not made for the informal sector's growth, urban spaces are a significant component of city economies in terms of maintaining the informal livelihoods of their residents. In Abuja, informal livelihood practices have become one of the choices for making a living in the face of rising poverty (Lyons *et al.*, 2012). This situation has resulted in competition for limited urban space, which has resulted in operational disputes among stakeholders, which has raised a variety of issues among urban planners and managers and their respective local governments (Brown, 2006). Given the critical role that the informal economic sector plays in space development and livelihood provision in urban areas of both developing and underdeveloped economies around the world, it

is therefore important to understand the informal sector's space demand and supply, especially in rapidly growing cities like Abuja. As a result, this study is an attempt to understand the impact of informality on urban space development in Kubwa, which is one of the fastest growing satellite towns in Nigeria, or Africa at large.

### **Study Area (Kubwa)**

Kubwa is a resettlement town in the Bwari region council of the FCT, bordered on the south by the FCT's outer northern expressway (ONEX) (Figure 1.1), on the north by the Bwari-Aso range of hills, on the east by Dutse Alhaji, and on the west by the Jibi resettlement system. Kubwa is home to some F.C.T. indigenes who were displaced from their original homeland as a result of construction in F.C.T., and it serves as a resettlement area. Kubwa thus serves a dual function of being named as both a resettlement and satellite town. The town is divided into zones; the proposed areas are phases 1-4, PW, Federal Housing Authority (FHA), and the unplanned areas are Kukwaba, new Maitama, and Byazhin, which are where the indigenes are resettled, and are marked by illegally attached buildings or buildings that do not meet housing standards.

## **LITERATURE REVIEW**

### **Informal Sector of Economy**

The sector of national economy known as informal sector is known from the point of view of inadequate government intervention on regulation and control of the activities of small enterprises and inadequate institutional agencies to provide security and benefits of operation (Ibrahim, 2017). Informal sector accommodates the largest proportion of workforce in the economies of third world countries; the sector influenced by characteristics of small scale entrepreneurs that lack the benefit of governmental support or services. Ijaiya (2014) in his research described urban informal enterprise as businesses that employed between one and ten staff on a full-but excluded the professions who are special in their activities. Urban informal sector comprises of a wide range of activities that ranges retails, repairs, production and provision of services to individual or household; it is commercial oriented to non-commercial services, involving firms and individuals (Charman *et al.*, 2012).



Figure 1.1: **Kubwa in the Context of Abuja, FCT**

The International Labour Organization (ILO, 1972) described the informal sector as forms of enterprises that comprise some or all the following: free process of entry and exit to business; dependence on native raw materials; individual or household ownership enterprises; small scale level of operation; labour-intensive and traditional technology; employees acquires skills from apprenticeship; unregulated and economically unattractive market and inadequacy of legal framework or institution recognition (ILO, 2013). The informal sector also includes small-scale productive, retail and

service enterprises that is seen as part of urban landscape.

Though the word ‘informal sector’ was mooted by Hart’s (1973). Many researchers have used the idea to define the numerous livelihood undertakings by the poor; its precise definition has continued to be subjective (Perera and Amin, 1996; Potts. 2007; Williams and Windebank, 2013). Though many methods have been used to define informal sector, emphasis is placed on its structural abilities and effects (Potts, 2007; Portes, 2015), other scholars in their definition chose to define it by emphasising the characteristics that digress from customarily acknowledged meaning of official undertakings (Eapen, 2001).

Likewise, Shabalala (2014) evaluate the classification of formal and informal sector of economy and conclude that “A predominantly pretty method is to categorise enterprises on a variety among two extreme and opposite poles, in order to highlight midway groupings and the procedures for switch alongside the general varieties.” Chen (2012) in his study define informal sector as production and employment that takes place in unincorporated small or unregistered enterprises. This meaning agrees with Skinner (2006) that enterprises and their employees are usually not registered because of tax reasons and function in an informal procedure that include front of houses, open spaces, and street pavements, instead of operating from formal business premises.

### **Origin of informality**

There appear to be two strands of opinion as to the actual origin of the informality concept. The first date of the sector's scholarly identification can be traced to 1942 when J.H. Boeke, a Dutch anthropologist, published Economies and economic policy in dual societies. Boeke articulated “a vision of a developing economy as a ‘dual’ economy, comprised of the market economy part of the world and a part which lay outside.” Boeke’s ‘dual’ construct was taken up and elaborated upon by Arthur Lewis in the 1950s and by development economists Harris and Todaro in a “two sector framework of equilibrium economics” in 1970 (Guha-Khasnobis *et al.*, 2006).

The second school of thought proffers a more truncated genealogy and credits another anthropologist (British this time), Keith Hart, with having originated the concept (Banik, 2011; Jerven 2013; Neuwirth 2011). It was Hart who coined the term ‘informal economy’ in his 1973 paper “Informal income opportunities and urban employment in Ghana” and who is believed to have introduced the

concept to “development studies more generally” (Guha-Khasnobis *et al.*, 2006). Allied with a 1972 publication produced by the International Labour Organisation (ILO) about employment in Kenya, Hart’s work is said to have “established the importance of the [formal-informal] dichotomy and led to an outpouring of research and policy focus” (Guha-Khasnobis *et al.*, 2006).

According to Banik (2011), “after an initial period of popularity in the 1970s and increasing use of the “informal economy” term in policymaking and academic circles in the 1980s and 1990s. The informal economy's importance in the development vocabulary has gradually waned, until now when it is once again enjoying a resurgence. This assertion of Banik’s is difficult to reconcile with the World Bank’s prolific informal sector research outputs throughout the 1990s and up until the present day. Banik himself does not reference any of these outputs. The World Bank has been a major source of scholarship focused on the informal economy (Oviedo *et al.*, 2009; Perry *et al.*, 2007). Interestingly enough, the very earliest available World Bank report on the informal sector (Mazumdar 1974), which appears to have been produced on a roneo machine, makes no reference to Todaro, Boeke or Hart and yet uses the term ‘informal sector’ as though it were already a well-entrenched concept in the discourse.

### **Urban Land Use Management in Nigeria**

Traditional Nigerian settlements are organized around local customs and practices, the traditional land tenure system, the agrarian economy, and the available modes of transportation. Traditional authorities, group heads, and family heads own communal lands and have the legal status of trustee, beneficiary, and may assign, reallocate, and supervise land usage. As a result, traditional Nigerian settlements are constructed around the palaces of traditional rulers, allowing for productive communal interaction, and lowering transportation costs. The entire group shared administrative responsibility for the creation and management of the total environment. With the arrival of the colonial government, conventional approaches to settlement growth gradually gave way to colonial approaches (NITP, 1993).

The key wave of reform in land administration and settlement creation in Nigeria was Lord Lugard's land declaration of 1900 in respect of title of land in northern Nigeria and the implementation of indirect rule (Adeyinka *et al.*, 2006). With regard to physical planning and infrastructure provision, different

planning requirements were defined for the various segments of the city. (Urban Age, 1993). The Township Ordinance of 1917 was the first effort in Nigerian cities to bring spatial order to their land use patterns. It marked a turning point in Nigeria's development of town and country planning. The effect of the Ordinance, which defined guidelines for town planning, can still be seen in cities across the country (Adeyinka *et al.*, 20006). Senior civil servants under the health boards were in charge of community planning on a regular basis. A number of new and improved layout plans were developed. Apart from routine administration, no noteworthy developments in town planning were observed. The first urban planning acts in Nigeria was known as the Nigerian Town and Country Planning Ordinance (No. 4 of 1946) to provide for the planning, improvement and development of different parts of the country through planning schemes initiated by planning authorities. The implementation of the Nigerian Town and Country Planning Ordinance of 1946 created a situation in which planning and development of an urban area was equated to more physically attractive layout plans with architecturally well designed units. Planning authorities were only seen to be concerned with all the other problems facing the urban centres under its jurisdiction. Other legislations that relates to Town and Country Planning include: the Mineral Act (1945) which touch on issues like drainage and pollution (land, water and air), Public Health Laws (1957) to control overcrowding, diseases and general urban squalor, land development (Roads) Law (1948) on the ownership, acquisition, sale and disbursement of land and the Building Line Regulations (1948) which was designed to provide for the positioning of buildings and other obstructions with reference to roads.

The creation of the Federal Ministry of Housing and Environment in 1975 gave physical planning a meaningful place in Nigeria's National Development Plans. Another conscious effort at giving "recognition" to planning according to Adeyinka *et al.* (2006) was the Local Government Reforms of 1976. The relevant features of the reforms for land use management include:

- i. the recognition of the already established and functioning Local Planning Authorities,
- ii. the making of Town and Country Planning a Local Government affair and under the control, at state level of the Ministry for Local Government.

Specifically, the reform made provision for staffing and financing of the new local governments on a continuing basis and separated traditional institutions from local government. This was to make the Local Governments truly development oriented (Adamolekun and Rowland, 1978). In addition, most of these recommendations were enshrined in the 1999 constitution of the Federal Republic of Nigeria. For instance, section 7 of the constitution states that:

*“The system of local Government by democratically elected local government councils is under this constitution guaranteed; and accordingly the government of every state shall ensure their existence under a law which provides for the establishment structure, composition finance and functions of such councils...” The reform also provides that the National and State Assembly “shall make statutory allocation of public revenue to local government councils” (Federal Republic of Nigeria, 1999).*

The Land Use Act, (Decree No. 6 of 1978) vested all land in each state on the Governor of that state, who shall hold such land in trust and administer the land for the use and common benefits of all Nigerians (Oyesiku, 1993; Adeyinka and Sanni, 2003). In addition, the Nigerian Urban and Regional Planning Law Decree No. 88, 1992 which was the first post-independence planning law in Nigeria was promulgated. The law is symbolic in that it assigns specific roles to the three tiers of government Federal, State and Local Government. For the purposes of executing the roles of each tier of government, the law gave power to the establishment of:

- i. a National Urban and Regional Planning Commission at the Federal level;
- ii. a State Urban and Regional Planning Board at the State level;
- iii. Local planning authority at the Local Government Area and the Area Councils of the Federation (Section C; subsection 5a,b,c).

Apart from the Local Planning Authorities and Ministries, other government agencies having bearings with the land use control are the Federal Capital



Development Authority (FCDA), Abuja; Abuja Metropolitan Management Agency (AMMA), Abuja; Federal Housing Authority (FHA), Lagos, Federal Environmental Protection Agency (FEPA) whose activities have been transferred to the newly established Federal Ministry of Urban Environment. Each state of the Federation, especially in the south west all the states has State Environmental Protection Agencies as well as the State Property Development Corporations.

Emphasis was never put on the role of informal sector in the management of urban land and its function on the lives of the residents of urban environment. The reality of the fact is that informal sector contributed to the urban livelihood in sub-Saharan African employment and developments (Shabalala, 2015). It is estimated that about 75% of the total employment in sub-Saharan Africa, 89% in Pakistan and 75% in Brazil (World Bank, 2000). In North Africa, informal employment account for 48% of non-agricultural employment, 51% in Latin America and 65% in Asia (Adeyinka and Sanni, 2003). In Nigeria, the informal economy accounts for about a third of the 50 million labour force out of 123.9 million people in 1999 (NBS, 2001).

Simon (1998) noted, the main economic activity in the informal economy is retail trade and most workers in this sector run front shops, stalls, kiosks or hawk goods as part or full-time activity by millions of children of both sexes in urban and semi-urban areas such of all towns and cities (Oyerinde, 2001). All these activities require land for its functioning, yet urban planning process does not recognise it as a stakeholder in the land use process (Sanusi, 2010). Informal sector placed high premium on children as stakeholders in the informal enterprises and urban land use. These children constituted 10% of informal traders (Trade Union World, 200).

## **RESEARCH METHODOLOGY**

The study is predicated on the descriptive research design approach. Quantitative data were gathered in a cross-sectional manner through survey. Questionnaire administration, on-site measurement, and field survey methods were used to collect requisite data for the study. Data collected include socio-economic attributes of the informal economy operators (Age of the operator, gender, household size, and education status); characteristics of the informal sector activities (types of informal sector activities, capital base, number of staff

required at start-up, current staff strength, years of operation, daily hours of operation, average daily income from the activities); and space development by informal sector operators (average size of the plot required, number of lots acquired for informal sector activity, legality of lot, spatial distribution, and mode and process of space acquisition). A total of 234 questionnaires was administered to informal operators in Kubwa using the multi-stage sampling technique (cluster and simple random). Descriptive statistical tools were used to describe the information gathered for the study, this tool include frequencies, percentage, mean, and standard deviation. The spatial analysis was used to analyse the spatial distribution pattern of the informal operators in Kubwa.

## **RESULTS AND DISCUSSION**

### **Socioeconomic Attributes of Informal Operators**

The gender, age, education status, household size and average daily income of the informal sector operators is presented in Table 4.1. Male (49%) and female (51%) gender participate actively in informal business. Majority of the respondents were within 25-45 years of age, which is the active age. Contrary to popular opinion, majority (55%), the average household size of the operators is between 4-6 persons, while about 63% of the respondents earn between N3,000 – N15,000 on the average. The foregoing analysis of socio-economic attribute of the respondents shows that, informal enterprises can no longer be attributed to certain individuals or groups of people, rather it is an employer of people from diverse socioeconomic background.

### **Characteristics of Informal Sector Operators**

The characteristics of informal sector activities in Kubwa was assessed under various headings, such as type of informal activities, staff capacity at start-up, current staff strength, daily hours of operation, years of operation. The characteristics of the informal sector operators is discussed under the various headings in the section below.

### **Types of informal sector activity**

The study identified twelve (12) diverse informal sector activities in the study area. Table 4.6 shows the types of informal sector activities in Kubwa. The activities include, block industry and newspaper vendors accounted for (3%),

Engine oil/fuel vendors accounted for 5% carpentry/furniture and GSM accessories/recharge card which accounted for 6% respectively; auto-mechanics, car wash, and saloon accounted for 7% each, while welding and vulcanizers accounted for (9%) respectively. Open food vendors accounted for (15%), while provision stores accounted for 23%. Figure 4.1 also shows the classes of informal activities in Kubwa. Retail activities accounted for 52%, which is the most predominant informal activities in Kubwa, while repair/services and production accounted for 30% and 18% respectively.

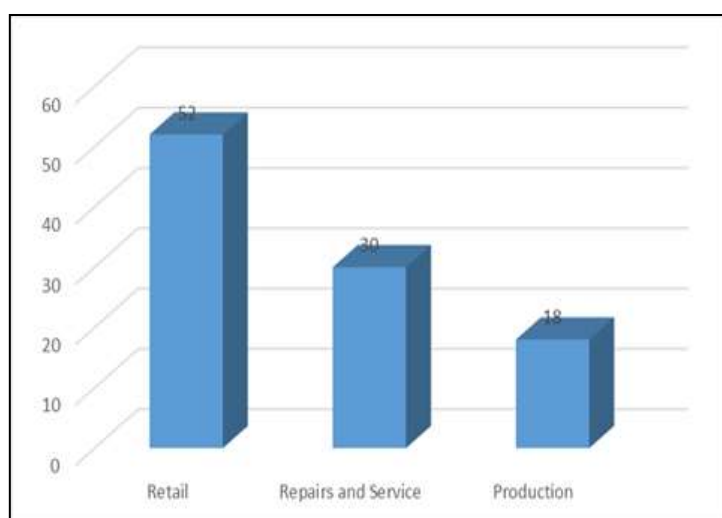
**Table 4.1: Socioeconomic Attributes of Informal Enterprises**

<b>Respondents Attribute</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Gender of Respondents</b>		
<b>Male</b>	115	49
<b>Female</b>	119	51
<b>Total</b>	<b>234</b>	<b>100</b>
<b>Age of Respondents</b>		
<b>&lt; 25 years</b>	30	13
<b>25 - 35 years</b>	56	24
<b>36 - 45 years</b>	65	28
<b>46 - 55 years</b>	62	26
<b>Above 55 years</b>	21	9
<b>Total</b>	<b>234</b>	<b>100</b>
<b>Education Status of Respondents</b>		
<b>No Formal Education</b>	35	15
<b>Primary</b>	67	29
<b>Secondary</b>	83	35
<b>Tertiary</b>	35	15
<b>Quranic</b>	14	6
<b>Total</b>	<b>234</b>	<b>100</b>
<b>Household Size</b>		
<b>1-3</b>	51	22
<b>4-6</b>	100	43
<b>Above 6 years</b>	83	35
<b>Total</b>	<b>234</b>	<b>100</b>
<b>Average Daily Earning</b>		

< ₦3,000	52	22
₦3,000 - ₦5,000	58	25
₦6,000 - ₦10,000	47	20
₦11,000 - ₦15,000	42	18
Above ₦15,000	35	15
Total	234	100

**Table 4.2:** Type of Informal Activities

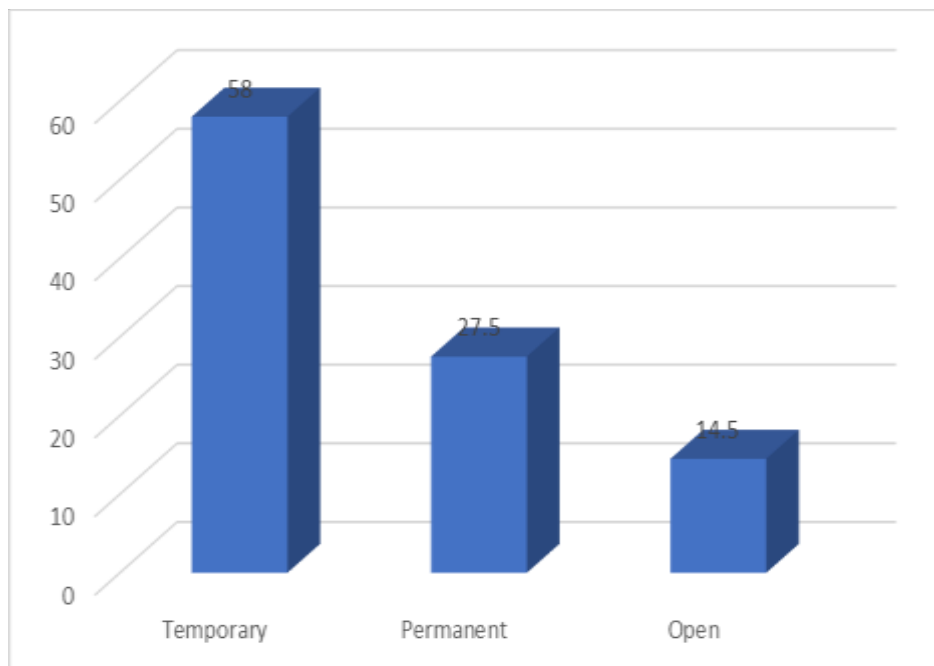
Type of Informal Activities	Percentage
<b>Carpentry and Furniture</b>	6
<b>Welding and Metal Construction</b>	9
<b>Block Industry</b>	3
<b>Food Vendors</b>	15
<b>GSM Accessories/ recharge card</b>	6
<b>Provision stores</b>	23
<b>News paper vendor</b>	3
<b>Engine Oil retailers</b>	5
<b>Auto Mechanics/s</b>	7
<b>Vulcanizers</b>	9
<b>Car Wash</b>	7
<b>Hair dressing/Barbing Saloon</b>	7
<b>Total</b>	<b>100</b>



**Figure 4.1:** Classes of informal business

### Type of Structure and Space used for Informal Activities.

The types of space and structures used for informal economic activities in Kubwa is depicted in Figure 4.2. The result shows that 58% of the informal economic activities are carried out within temporary shades, especially along the road setbacks. Temporary space and structures are characterized by metal containers, wooden structures, kiosks, sheds, or tents built with canopy and structures built with an iron sheet. On the other hand, 27.5% carry out their business transactions in permanent space or organized shops. Those with permanent space and structures were characterized mainly as enterprises in organized shops, residential units with inbuilt shops, or sometimes residential units that have been converted for such purpose. In contrast, those that operate in open spaces accounted for 14.5%.



**Figure 4.2:** Type of Space Employed for Urban Informal Enterprises

#### 4.2.3 Categories of informal activities and space utilization

Table 4.3 shows the pattern of space utilization by different categories of informal enterprises in Kubwa. The study revealed that the average space occupied by the retail activities is between 2.6 and 13.35m<sup>2</sup>. The maximum space occupied by retail activity is 17.82m<sup>2</sup> and a minimum of 2.3m<sup>2</sup>.

Services and repairs occupied a maximum space of 12.96 m<sup>2</sup>, a minimum space of 1.2m<sup>2</sup>, and average space utilization of between 1.8-10.3m<sup>2</sup>. Production activities required more space; the average space utilization for production activities is between 25.1m<sup>2</sup> and 450.5m<sup>2</sup>, where the maximum space utilization is 1247m<sup>2</sup> and a minimum of 10.5m<sup>2</sup>. It was, however, observed that those who engage in block making and repairs of automobiles occupy the most prominent space for their operation. On the other hand, the enterprises that occupy the least average space are involved in selling perishable food and groceries.

**Table 4.3: Informal Economic Activities and Space Utilization**

Category	Urban Informal Enterprises	Maximum	Minimum	Average
Retailing	Petty Trading/ Provision stores	11.2	7.2	9.28
	Food Vendors	17.82	10.08	13.35
	Gsm accessories and recharge card	6.2	3.15	4.1
	Engine oil retailers	2.8	2.3	2.6
Service and Repair	Phone Repair	3.4	2.6	3.1
	Vulcanising	3.4	2.5	2.9
	News Paper Vendors	2.2	1.2	1.8
	Hair Dressing Saloon	12.96	8.4	10.3
Production	Block Industry	1247	342	450.5
	Mechanic Workshop	526.8	384.9	423.5
	Carpentry	33.12	10.5	20.547
	Welding and Metal Construction	52.92	15.54	25.1

### Informal Operators and Tax

Table 4.4 shows the commitment of the informal operators to payment of levies and taxes. The study revealed that majority (78%) of the informal operators sampled pay one form of levy or tax to the local council authority, while only 22% do not pay levies or taxes. This is contrary to the popular opinion that informal operators are not captured in the tax net or are tax

evaders. Furthermore, the study also shows that the amount of levy range from less than 500 to above 10,000. Most of the enterprises (29%) pay between 1000-5000, while those that pay less than 500 and between 5000-1000 accounted for 22% each.

**Table 4.4:** Informal Operators and Tax

Payment of Levy	Frequency	Percentage
<b>Yes</b>	183	78
<b>No</b>	51	22
	<b>234</b>	<b>100</b>
Amount of Levy/Tax Paid		
<b>Less than 500</b>	51	22
<b>500-1000</b>	52	22
<b>1001 -5000</b>	67	29
<b>5001-10000</b>	43	18
<b>Above 10,000</b>	21	9
<b>Total</b>	<b>234</b>	<b>100</b>

### **Informal Sector Activities and Urban Space Development**

The distribution of all the informal enterprises or businesses is presented in Figure 4.11. The Figure shows that there is a plethora of informal businesses along the major road corridor in Kubwa. The informal businesses are the face of the neighbourhoods along the major road corridors. Most of these informal businesses operate in temporary structures or open spaces along the major road. Some businesses interfere with the smooth flow of traffic along the major roads due to their proximity to the road. The nearest neighbourhood analysis of the informal businesses in Kubwa recorded a nearest neighbourhood ratio of 0.36, z-score of -16.03, and a p-value of 0.0000. This shows that informal businesses in Kubwa are clustered along the corridors of major roads in Kubwa. Given a z-score of -16.04, there is less than 1% likelihood that this pattern is as a result of random chance. This implies that the distribution of informal operators along major road does not happen by random chance, rather it is a result of a deliberate attempt by the operators.

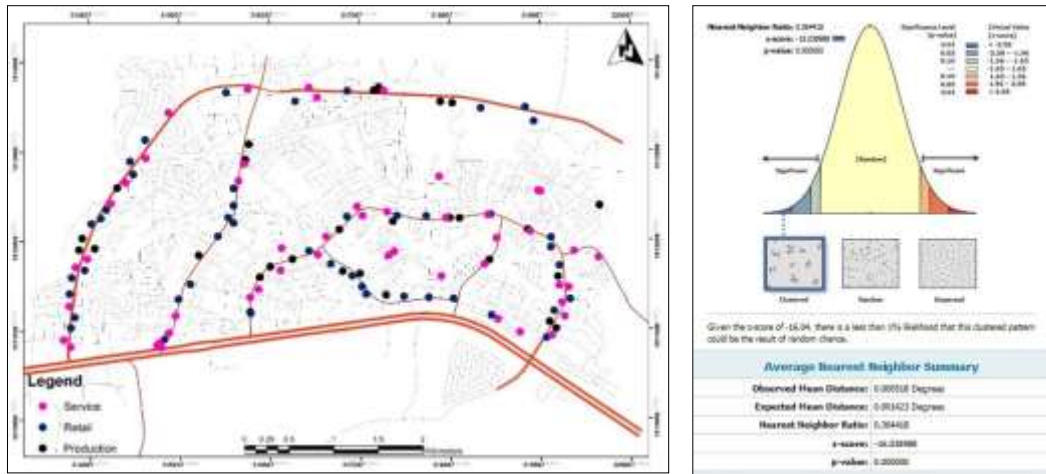


Figure 4.11: Spatial Distribution Pattern of Informal Businesses in Kubwa

### Types of lands used for informal enterprises

The types of land used for informal economic activities in Kubwa include marginal land, public space, vacant land, building attachment, and setback. Table 4.5 shows the types of land used for informal economic activities in Kubwa. The study shows that 40% of the informal enterprises were located on vacant lands. This shows that the majority of the informal business thrive on open spaces in Kubwa. The study also revealed that 20% of the informal enterprises occupy setback areas (area between fence and the road), while 14% occupy marginal land and public spaces. Informal enterprises carried out within the building attachment accounted for 12%. This shows that informal businesses harvest various types of land available in other to carry out their business.

Table 4.5: Types of lands used for informal enterprises

Location	Frequency	Percentage
Marginal land	33	14
Public land	32	14
Vacant Land	93	40
Setback	47	20
Building attachment	29	12
Total	234	100



### Informal businesses and urban space development

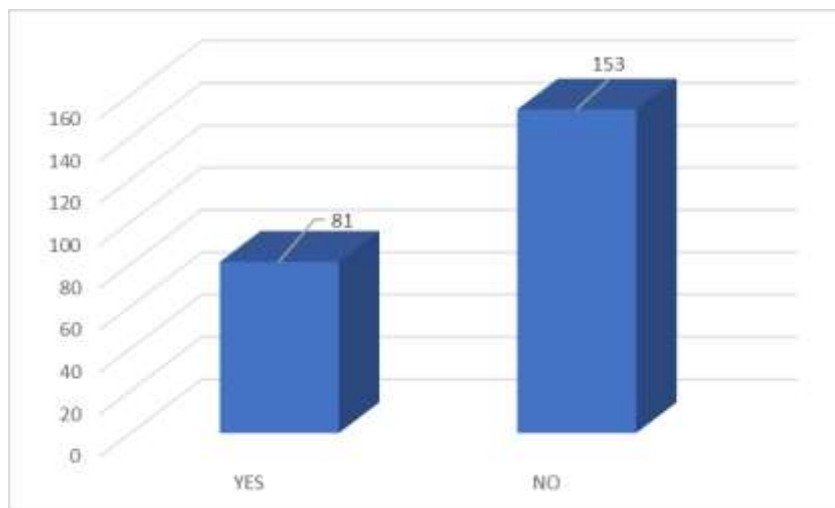
The study assessed the contribution of informal businesses to urban space development in Kubwa. The study shows that informal retail enterprises cover about 18 hectares which accounted for 12.7% of the land area utilized by informal retail enterprises. The informal service enterprises cover about 27 hectares, accounting for 19% of the land area covered by informal activities (Table 4.6). Production and manufacturing cover 97 hectares, thereby accounting for (68.3%). This indicates that although most informal businesses prey on marginal lands, they occupy significant land areas in the neighbourhood.

**Table 4.6: Urban space development**

Informal Business	Area (ha)	Percentage
<b>Retail</b>	18	12.7
<b>Services</b>	27	19.0
<b>Production and Manufacturing</b>	97	68.3
<b>Total</b>	<b>142</b>	<b>100.0</b>

### Building Permit

The study also assessed the legality of the spaces occupied by the informal economic activities in Kubwa. The study revealed that 81 of the informal enterprises sampled which accounted for 34% had some form of permit, while a larger proportion (66%) of the informal enterprises (153) do not have any form of permit for occupying their current location (Figure 4.13). This shows that majority of the economic enterprises are illegally occupying their present location in Kubwa.



## CONCLUSION AND RECOMMENDATION

The study appraises the impact of informal business operations on urban space development in Kubwa, FCT. The study concludes that informal economic activities is no doubt a major source of livelihood for many people in the urban areas. The informal sector is characterized by people from different socioeconomic background who could not be captured with the formal sector. However, this sector is often neglected when it comes to policy development, planning and implementation. Although the informal sector is a major competitor for urban space, they are exempted during urban space allocation. Therefore, informal operators resort to encroachment of marginal lands, public spaces, open spaces, road corridors, and setback area to meet up with their demand for space in the urban environment. By so doing, the informal activities continue to distort the plan of the town. Hence, it is imperative to integrate the informal sector's demand for land into the design and land use planning of our cities and towns. This will help to reduce the menace of urban space encroachment.

The government should provide adequate incentives for some of the business. This can be in the form of loans, tax waivers or training that will help them improve and conduct their businesses in a more organised manner. The government should embark on proper enumeration of the informal business in order to understand their weakness and strength. Sufficient area of land should be set aside for commercial land use within Kubwa to accommodate most of the informal economic activities. There is a need for alternative markets in areas where roadside vendors are concentrated. The roadside vendors should then be mandated to move their businesses into the new market through appropriate legislation. It is hoped that this will help control issues such as haphazard structure erection, encroachment of structures on road setbacks, location of shops/display of goods on pedestrian walkways, and illegal land-use change.

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