

**AN ASSESSMENT OF THE DETERMINANTS OF CHOICE OF LOCATION
FOR INFORMAL ECONOMIC ACTIVITIES IN ILORIN URBAN AREA**

BY

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SUBMITTED

TO

DEPARTMENT OF URBAN AND REGIONAL PLANNING,

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B.Sc Economics (Al-Hikmah University) 2015
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**A THESIS SUBMITTED TO THE SCHOOL OF POSTGRADUATE STUDIES,
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**DEPARTMENT OF URBAN AND REGIONAL PLANNING,
FACULTY OF ENVIRONMENTAL DESIGN,
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ZARIA, NIGERIA**

OCTOBER, 2021

DECLARATION

I declare that the work in this thesis entitled “An Assessment of the Determinants of Choice of Location for Informal Economic Activities in Ilorin Urban Area” has been performed by me in the Department of Urban and Regional Planning under the supervision of Dr. Yakubu A. Bununu and Mrs. Hadiza K. Mado. The information derived from the literature has been duly acknowledged in the text and a list of references provided. No part of this thesis has been previously presented for another degree or diploma at this or any other Institution.

Aisha Bukola OTHMAN

Name of Student

Signature

Date

CERTIFICATION

This thesis entitled AN ASSESSMENT OF THE DETERMINANTS OF CHOICE OF LOCATION FOR INFORMAL ECONOMIC ACTIVITIES IN ILORIN URBAN AREA

By AISHA BUKOLA OTHMAN meets the regulations governing the award of the degree of Master of Science in Urban Management of the Ahmadu Bello University, and is approved for its' contribution to knowledge and literary presentation.

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DEDICATION

To Almighty Allah, my Parents; Alh. Adamu A. Othman and Mrs. S.H.E. Othman and my siblings.

ACKNOWLEDGEMENTS

I give gratitude to God for bringing me this far, and to my parents for their financial and moral support. I am indebted to my supervisors Dr. Y. A. Bununu and Mrs. H. K. Mado for their wisdom, patience, guidance and also, for continuously pushing me to be better.

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Thank you and God bless.

ABSTRACT

The rapid growth of the informal economy results in increase of operators and their quest for space for informal economic activities, most of which are inappropriate in nature and affect land use management and the aesthetic of the city. Thus, the study assessed the determinants of choice of location for informal economic activities in Ilorin urban area. The study adopted a quantitative research method using interviews as the major instrument for data collection considering the literacy and language barrier, and also to enable respondents freely express themselves. Due to lack of records on informal economic activities operators in the study area to determine a sample size, cluster sampling was employed where 5 clusters were selected based on their shared attribute of high concentration of informal economic activities with inappropriate locations infringing public spaces. Subsequently, oral interviews were administered to 10 respondents in each of the selected clusters. Purposive random sampling technique was used in administration of oral interviews. The determinants of choice of location for informal economic activities were found to be lack of access to capital, customer patronage, recognition of operator in location, personal preference for location, preference for business district, proximity to place of residence, location known for sale of particular goods, proximity to transportation routes, availability of utilities in location and availability of space in location. Urban authorities force out operators from their business spaces at the roadside, but from observation this is a temporary solution, as informal economic activities operators often return to same location after a few days, constituting more problems for urban authorities. The study uses these determinants found in making recommendations which take into consideration the welfare of informal economic activities operators and also aid in curbing the challenges posed by the inappropriate locations of informal economic activities.

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List of Abbreviations

ILO.....International Labour Organisation

KWTPDA.....Kwara State Town Planning Development
Authority

CBD.....Central Business District

IEA.....Informal Economic Activities

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Notwithstanding the controversies surrounding the informal economy, there is common knowledge of the vital benefaction of the informal economy to employment, income, poverty reduction, quality of life of urban residents and more importantly, economic development. Recent realization of the contribution of the informal economy has driven research on how the informal economy can be integrated into urban planning, management and development and also to promote sustainable economic development. Informal economic activities are estimated to be larger in third world countries. According to a report by the International Labour Organisation (ILO), over 60 percent of the global working populace are involved in the informal economy, and 93 per cent of the global informal employment is in emerging and developing countries. In Africa, 85.8 per cent of employment is informal, in Asia 68.2 per cent, the Pacific 68.6 per cent, 40.0 per cent in the Americas and 25.1 per cent in Europe and Central Asia (ILO, 2018).

Whilst the informal economy is associated with poor conditions of employment and low level of production (Enquobharie, 2004). There is no question as to its positive impact on economic growth, particularly in job creation by accommodating the spill-over from the formal sector as a result of government to provide adequate employment to the labour force. The informal economy, also known as the underground economy differs; ranging from its size, composition, and characteristics (Rinehart, 2004). The first International Labour Organisation's (ILO) mission to Africa in 1972 had identified that the traditional or informal economy

had not only persevered but also expanded in Africa. This mission also discovered and described informal economic activities as activities which are unknown, unrecorded, unguarded, and uncontrolled by the public authorities, and were not restricted to marginal activities but also consisted of commercial businesses in production.(Onwe, 2013).

The escalation of the informal economy in developing nations and the controversial circumstances surrounding its growth have led to widespread interest in the sector, and informal economic practices have been widely studied in the last three decades.As stated by International Labour Organisation, about 80% of the urban population in developing nations are largely involved in urban informal economic activities.

Several challenges arise from the unsuitable locations of informal economic activities including sprawl, congestion, spatial disharmony, mixed land uses, air and noise pollution, and building alterations, which decreases the value of the neighbourhood Chepkmei (2016). Oladimeji (2012), studied Urban governance practices in relation to the development of informal economic activities and more importantly how the practices of certainurban governance institutions aid in the development of informal enterprises in the Zaria urban area. Michael (2017) focused on the gender perspective of accessing urban spaces for informal economic activities in Zaria. Chepkemei (2016) studied the planning implications of informal economic activities in a residential neighbourhood as these activities invade public spaces, open spaces and road reserves and detecting causes of the continual growth of these activities.Ndumbaro (2014) studied the spatial distribution of informal sector activities using a case study of Iringa Municipality in Tanzania, understanding which

particular areas are dominated with which specific types of informal economic activities.

1.2 Statement of Research Problem

Informal economic activities are carried out within the city and as such take up space. The choice of location for informal economic activities by operators, most of which are inappropriate locations, have implications on how land is being utilized in the urban area. This also affects land use management, aesthetics of the city, movement of people and the general functioning and wellbeing of the city. Nonetheless, the informal economy plays a massive role in employment provision, poverty reduction, and an enhanced quality of life of urban residents among others. Consequently, there is need to harness the potential of the informal economy while integrating informal economic activities into urban planning and management. Thus, this study seeks to identify and understand the determinants of choice of location for informal economic activities; from the perspective of informal economic activities operators. This is to better accommodate informal economic activities in the urban area and make better land use decisions as managers and planners of the city, which will in turn improve land use management and channel the course of the informal economy in the right direction. The study contributes to the existing publications on the informal economy by identifying the determinants of choice of location for informal activities in Ilorin urban area.

1.3 Research Question

1. What are the characteristics of informal economic activities in Ilorin urban area?

2. What are the determinants of choice of location for informal economic activities in Ilorin urban area?

1.4 Aim

The aim of this study is to explore the factors that influence the choice of location for informal economic activities in Ilorin urban area to aid in formulating planning policies.

1.5 Objectives of the Study

The objectives are to:

- i. Establish the types and characteristics of informal economic activities in Ilorin urban area.
- ii. Identify the determinants of choice of location for informal economic activities in the study area.
- iii. Identify urban planning and management implications of choice of location for informal economic activities in the study area.

1.6 Significance of the Study

The study contributes to knowledge on the informal economy by identifying and understanding the determinants of choice of location for informal economic activities in urban areas from the operators' point of view. The study would be an important tool for urban managers and policy makers in formulating planning policies and

making strategic decisions which are inclusive in nature, taking into consideration the welfare of informal economic activities operators. In addition, the study will aid various levels of stakeholders such as government, institutions and operators in the quest to control or eliminate the challenges posed by the informal economic activities to better achieve efficiency in the informal economic sector and thus improve sustainable economic growth in Ilorin and Kwara state as a whole.

Finally, the study will be of benefit to academicians in further research and provide insights on literature on the informal economy.

1.7 Scope and Delimitation of the Study

The study focused on assessing the determinants of choice of location of informal economic activities in Ilorin urban area, covering the spatial extent of five clusters; Ojaoba, Ojatutun, Ipata, Post Office and Challenge. These clusters were selected based on their predominance with informal economic activities. The scope covers all forms of informal activities along major transit routes, roads and walkways among others.

1.8 The Study Area

Ilorin, traditional emirate and city is the state capital of Kwara State in Northern Nigeria, located within the North Central geopolitical zone covering a land area of 765 kilometres square. Based on the census carried out in the year 2006, a population of 777,667 was recorded making it the sixth largest city by population in Nigeria, At an increasing growth rate fluctuating between 1.92% to 2.20% from 2006 to 2019, Its population stands at 929,000 Population Stat,(2019). A city with confluence of cultures ranging from Yoruba, Nupe, Hausa, Baruba among others. Founded in the

Figure 1.1: Location of Kwara State in Nigeria.

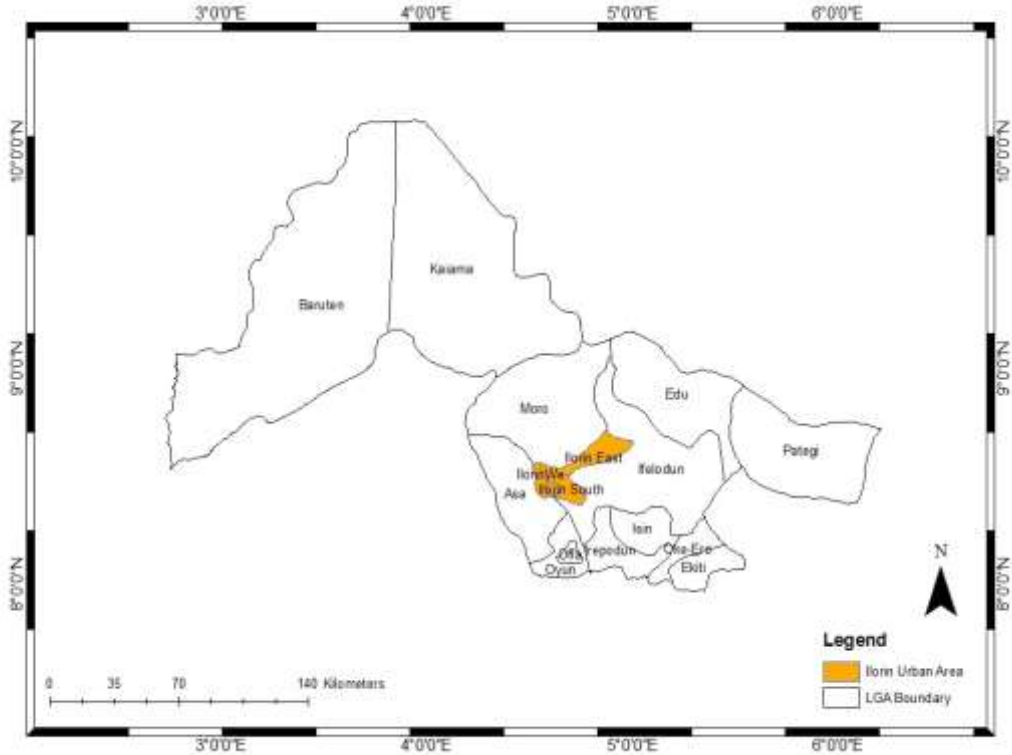


Figure 1.2: Location of Ilorin in Kwara State.

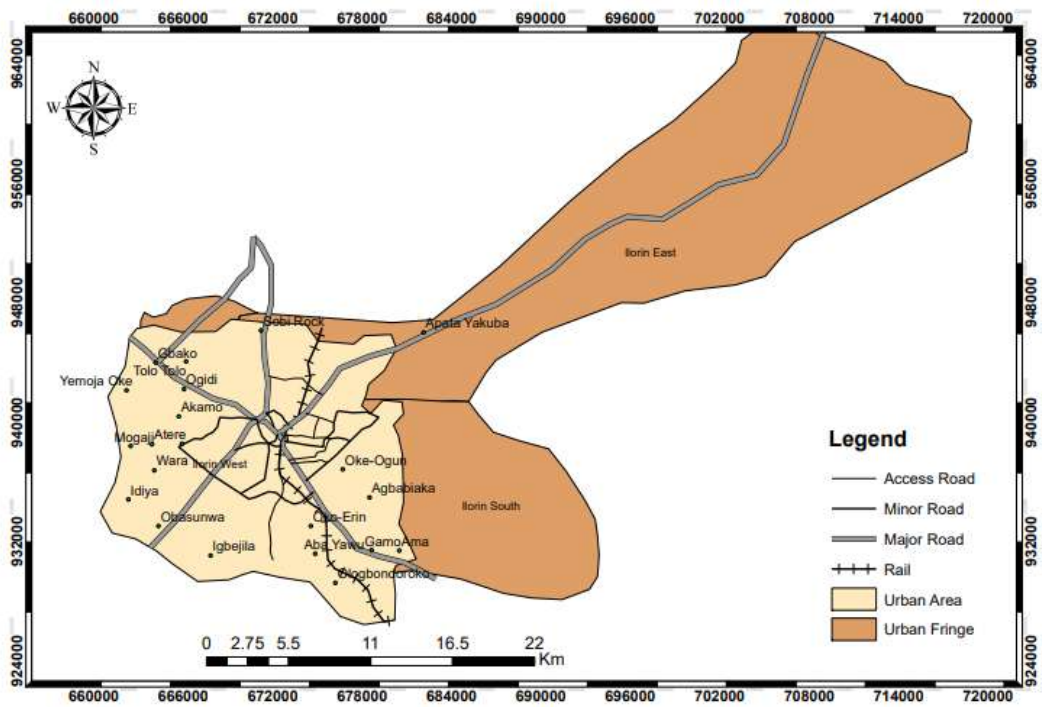


Figure 1.3: Ilorin urban area

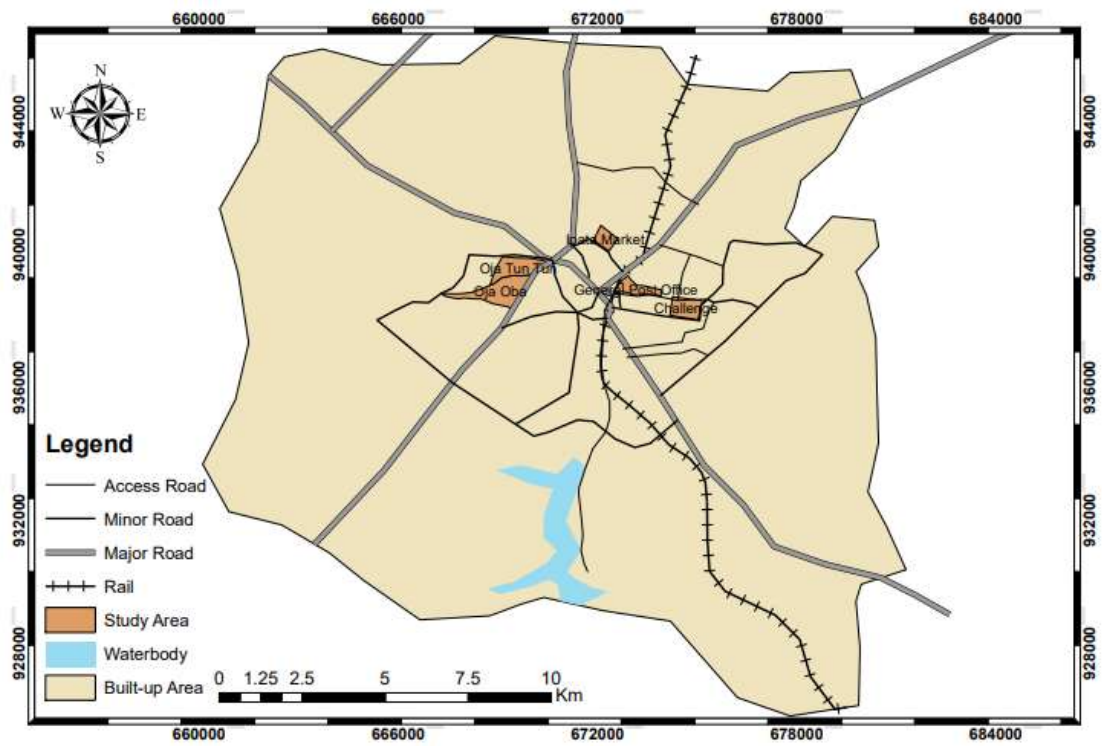


Fig 1.4 Sampled Locations in Ilorin Urban area

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Countless studies have been undertaken by numerous scholars on the informal economy, the scope of these studies covered the features and characteristics of the informal economy, the growth of the informal economy, its impact on poverty, employment, land use and management, implications of the informal economy, and planning and inclusion of the informal economy among others. Thus, this chapter reviews relevant literature on the informal economy, locational choice in urban areas and the implications of these locations on urban management.

2.2 The Phenomenon of the Informal Economy

The concept of informal economy emerged in the early 1970s. It was originally used to describe meager traditional economic sector and small businesses involved in petty trading, small-scale artisanal production and a span of various temporary employment. The curiosity on the 'informal' resulted from the International Labour Organisation's (ILO) employment mission to Kenya in 1972 and British anthropologist Keith Hart's research work in Accra in 1973, granted that other researches had previously portrayed economic informality as conservative methods of economic activities (Kanbur, 2009).

In contrast to the formal sector, the informal sector is habitually categorized by ease of entry, dependence on indigenous/local resources, family-run enterprises, simple managerial and manufacturing structures, operations carried out in small-scale, labour intensive and adapted low technology, less skills and education, skills not within the

formal system of education, insufficient capital expenditure, irregular hours of work and, personally sourced capital/principal. (UNECA/AAPAM, 1992).

Predominantly, the informal economy is the unrestricted informal section of the market economy that manufactures goods and provides services for sale or for other forms of remittance. The phrase “informal economy” therefore refers to all economic activities by workers and economic units that are in rule or in custom not sheltered or not sufficiently sheltered by formal arrangements (Becker, 2004). In accordance with Chen et. al. (2002), generality of informal economic activities supply goods and services with entirely legal manufacturing and distribution. Furthermore, informal economic activities are not intentionally carried out with the calculated motive of avoiding tax payments or social security contributions, or breaching labour rulings or other regulations. Although the informal economy can consist of constricted legal and illegal operations or lawful and improper workers, but no criminal workers. Consequently, the informal economy, ought not to be interwoven with the criminal economy.

The informal sector makes use of waste materials like old tyres, plastics, metal, and paper to manufacture certain goods which should otherwise be imported, and also supply services which could be too high-priced for persons who earn low- income. The ability of the informal sector to generate revenue attracts migrants. Nevertheless, scarcity of opportunities in part of its sub sectors finally steers some of the migrants to participate in crime and more illegal activities (Onyenechere, 2011).

The renewed curiosity on the informal economy also comes from the realization of the connection between informality and growth in different circumstances and the

connection between informality, poverty, and inequity on the other. There is intensified realization that majority of the informal economy in present day is essentially connected to the formal economy and advances the overall economy, and assisting/promoting the employed poor in the informal economy is a major avenue to poverty alleviation and inequity(Chen,(2004).

The phrase informal economy is frequently used to signify the informal sector,referring to all economic activities by employees and economic units which are not protected or aresufficiently protected by the legal/official system. This economy is mostly identified by bare minimum entry specifications with regards to funds and professional eligibility; mini scale of operations; expertise mostly obtained outside conventional form of education; and, labour-intensive system of manufacturing. Onwe(2013),further defined the economy based on classifications which includes; definition by activities, employment type, and by wages and work boosting prospects:

1. Definition by activities: Classification of the informal economy by activities is the most common, which is based on production units, where the informal sector or economy consists of units engaged in the production of goods and services with the primary objective of generating employment and incomes to the persons involved. These units function at a low level of organisation, with little to no detachment between labour and capital as factors of production and on a small scale. (Amin, 2002).
2. Definition by employment type: Informal jobs consists of both self-employment and paid employment that are generally not controlled, secured or recognized by lawful or administrative systems. Informal economy has been identified with

accordance to the following employment classifications (Amin, 2002), (ILO, 2002), (World bank, 2003):

- i. Sole proprietors, as well as self-account employees, family owned businesses, and unrewarded family employees;
 - ii. Salary employees, consisting employees of informal businesses, contract employees without stable employers, home-based operators, paid family employees, short-term and part-time employees, and undocumented employees, and;
 - iii. Proprietors, including owners and their workers.
3. Definition by wages and employment enhancing potential: This explanation acknowledges the diverse nature of the informal sector, identifying the informal sector as consisting of enterprises or work with increasing market demand that show high income-elasticity of demand, such as tourism services, and those that reflect low income-elasticity of demand, like barbing services. This definition categorizes the informal sector into three major components(Oberay&Chadaw, 2001),(ILO, 2002):
- i. Businesses which have the possibility of becoming great contributors to national economy and commence informal economic activities due to their prospective of creating growth or wealth. These businesses can be associated with organized and emerging local or global markets;
 - ii. Persons or Families who venture into the informal economy for survival reasons. Motives which influence these persons include comparative ease of entry as opposed the informal economy, and little financing prerequisites amongst others;

- iii. Persons who are engaged in informal economic activities temporarily while being employed elsewhere, as a result of underemployment and/or uneven wages.

2.3 Schools of Thought on the Informal Economy

The informal economy is largely more definitive under the four major schools of thought, which are the dualist school, the structuralist school, the legalist school and the voluntarist school.

2.3.1 The Dualist School of Thought

The Dualist school introduced by ILO World Employment Mission Kenya 1972, views the informal economy as a sector which consists of minimal activities, which are entirely different and in no way connected to the formal sector which provides earnings to the poor and serve as insurance during difficult times. They further state, that operators in the informal economic economy are exempted from contemporary economic possibilities as a result of disparities between increase in population and of present-day industrial employment, and a contradiction between people's expertise and the framework of present-day economic opportunities.

2.3.2 The Structuralist School of Thought

The structuralist school introduced by Manuel Castells and Alejandro Portes 1989 Castells & Portes, (1989), views the informal economy as lower-ranking economic units (small businesses) and operators who aid in lessening costs of input and labour, therefore, increasing the comparative advantage of huge capitalist companies. They further declare that the essence of capitalism/capitalist growth fosters informality.

Categorically, the efforts in which formal companies make to lessen labour costs, increase comparative advantage and the responses of these formal companies to the strength of arranged labour, state rulings/order of the economy (taxes and social constitution); to international competitiveness; and to the procedure of industrialization.

2.3.3 The Legalist School of Thought

The legalist school introduced by Hernando De Soto 1989, views the informal economy as consisting of “plucky” micro-traders opting to operate outside the formal economy for the purpose of avoiding price, time and effort of legal registration and also need property privileges to change their assets into legally accepted assets. De Soto, (1989). They assert that an aggressive formal system results in the self-employed operating informally with their own informal crooked standards. The major contrast existing between the legalist school of thought and the voluntarists school of thought is that the informal operators use tactful measures in eluding the costs of becoming legal in order to cut costs, maximize returns and survive.

2.3.4 The Voluntarist School of Thought

The voluntarist school introduced by William Maloney 2004, like the legalist school also centers on informal operators who consciously search to evade regulations and taxation, although as opposed the legalist school, they do not hold liable the heavy registration processes. Maloney (2004) They argue that informal entrepreneurs decide to operate informally after considering the costs and benefits of informal economy with relation to the formal economy.

2.4 Old and New Views of the Informal Economy

Chen, (2007) summarizes the major differences between the old views and the new views of the informal economy, as will be shown in Table 2.1

Table 2.1 Old and new views of the informal economy

S/n	Old view	New view
1.	The informal economy is the unconventional sector which will fade away, as the modern industrial economy grows.	The informal economy is enduring and expanding with modern industrial growth.
2.	The informal economy is at best minimally productive.	The informal economy is a vital source of employment, goods and services for lower-income groups and also imparts greatly to GDP
3.	It exists independently from the formal economy	It is linked to the formal economy as it manufactures for, trades with, disperses for and provides services to the formal economy.
4.	It serves as a store of excess labour	Majority of the present increase in informal employment is as a result of the downturn in formal jobs.
5.	It consists mainly of street vendors and small-scale manufacturers	It consists of varieties of informal jobs, both part-time labour in construction and agriculture, and emerging jobs like temporary and part-time jobs including homework for high tech industries.

Source: Chen, (2007).

The new view of the informal economy as a vital source of employment, goods and services for lower income groups is backed up by Tshuma & Jari (2013) who confirms that the informal sector may be viewed as the driving force in the process of job creation as it essentially includes many small and micro-enterprises. The informal

sector in developing countries not only makes a significant contribution towards Gross Domestic Product(GDP), but is also a major potential source of entrepreneurship, hence a source of income especially for the less educated and less skilled.

As a backup to Chen's new view of the informal economy being linked to the formal economy, Dasgupta (2016) states that much of the informal sector greatly contributes to the formal sector, and the informal sector connects to the formal sector at various points. This connection occurs through individual transactions, value chain of subcontracted relationships or subsector network of commercial relationships. Majority of the rules of these contacts are set by the formal sector.

Yusuf (2014) conforms to Chen's new view of the increase in informal employment resulting from a downturn in formal jobs. The informal economy plays a significant role in providing employment for the downtrodden Nigerians and is seen as a relief for the formal and regulated sector. The sector is also seen as a transitional phase for people awaiting entry into the formal sector. As stated by ILO (2004), the shortage of employment in the formal economy and the absence of expertise in bulk of the labour force has prompted a significant growth of the informal sector, where majority of the workers are in low paid employment and worse, working in conditions of impoverished employment.

The informal economy is a global phenomenon consisting of diverse professions ranging from minibus drivers in Africa, market stands in Latin America, and hawkers found around at traffic lights around the world. In advanced economies, the informal

economy ranges from construction workers through domestic workers to registered firms engaging in informal economic activities (International Monetary Fund, 2021).

2.5 The Urban Informal Economy

While informality also exists in developed country cities, it is less conspicuous as a result of the sophistication and institutional stability of their socio-economic systems as well as the way informal economic enterprises are manifested in these settings (Williams & Nadine, 2010).

Street traders are arguably the most visible elements of the informal economy, and the most populous constituents of street based enterprises. They are observed to capitalise on streets and other public open spaces within cities as their operational base, where they often concentrate their retail activities at strategic locations close to heavy pedestrian or traffic flows, which overlap areas with dense populations. WIEGO, (2011; Chen, (2012). In this case, a street trader's niche is in the (re)distribution of goods and services, providing consumers with convenient, accessible retail options and services.

The urban informal economy is growing everywhere in the world, with renewed interest worldwide, as a better part of the worlds' labour force and economy is in the informal sector, and seeing as the informal economy is expanding in various conditions and surfacing in new places and new forms. Hawkers, wagon pullers, carriage vendors, roadside barbers, refuse collectors and disposers, in Mexico City, Bogota New York City, Manila, and Calcutta among others. Informal operators who labour on the streets or in the open are the most noticeable informal operators. Other informal operators are occupied in stores and outlets that repair two-wheelers and

motorcycles, produce furnishings, recycle metal remnants; tan leather and sew shoes, weave, dye, and print clothes, sell provisions in retail quantities polish diamonds and other gems; engage in tailoring, sell clothes, paper, and metal waste; and more. The slightest conspicuous informal operators, most of whom are women, operate from their homes (Chen, 2005).

Banks et. al. (2020). Despite informality crossing boundaries of professions and discipline, it is often applied and investigated narrowly within certain domains as opposed to across them. Urban informality is seen as a setting in which some groups or group of individuals secure livelihoods or commodities, the focus of urban informality is usually on the urban poor who commonly live, work and access services through informal channels and in informal sectors.

2.6 Subsectors of the Informal Economy

Oladimeji(2012) adopted from Epko and Umoh (2010)classified the informal economy into three subsectors, which are the Production subsector, the Service subsector and the retail subsector

2.6.1 The Production Sub-sector

The production sub-sector consists of all informal economic activities which involves the manufacturing of substantial goods, ranging from agricultural production, mining (except petroleum), small-scale production, building and construction. These activities are evident in food production, carpentry, furniture making, tailoring, welding and iron works, among others.

2.6.2 The Service Sub-sector

The service sub-sector consists of informal health services, repairs and maintenance, and labour for menial works. Maintenance and repair services include auto repairs and maintenance, hairdressing, transport services, and mending of various household and commercial tools. These above named services are provided at specific fees.

2.6.3 The Retail Sub-sector

The retail sub-sector comprises mainly of micro businesses involved in buying and selling of fundamental products required by individuals. These kinds of products and activities covers common day-to-day provisions, fruits, sale of newspapers, and food and drinks among others. These businesses are mostly located along streets for easy access to their customers.

2.7 Why People Venture into Informal Economy?

The informal economy comprises of all forms of economic activities involved in by operators who sell lawful goods and services within public spaces. The informal economy is considered attractive worldwide as it usually requires reasonably small amount of capital, which in most cases are sourced from the traders' own personal savings. The sector is also heterogeneous in nature and comes in almost any form. (Tshuma & Jari, 2013).

The informal sector consists primarily of unknown, unregistered and unguarded activities carried out in small scale, independent sectors, and street vendors among which are cleaners, shoe-shiners, pedlars. The general presumption about the informal

economy is that it is a sector that is not formalized or regularized. It is further characterised by easy entry and is often seen as the survival sector for the unemployed and/or unskilled individuals and its activities are mostly conducted on a small scale. These businesses are mostly owned by families and requires small labour force mostly consisting of household members. (Enquobahrie, 2004).

Generally, it is reckoned that the growth of the informal economy is impacted by rising unemployment in developing countries, Nigeria shares in the increasing rate of population and rapid rate of urbanization, which in turn increases unemployment rate, this is as a result of migrants coming into the city from rural areas, these migrants do not have adequate skill or education, and as such settle for transitory employment which is often under the informal economy which helps provide a means of livelihood (Timalsina, 2011). Majority of the African continent has encountered exceptionally poor performance of economic growth. Therefore, generation of jobs has been impoverished in these environments. Moreover, subsequent to the execution of structural adjustment policies in many African nations, and these nations' incorporation in to the global trading system, parts of the local production economy in the continent have been weakened by low-priced imports. In addition, privatization constituents of structural adjustment programmes decreased state employment in government wage employment and in public enterprise (Chepkemei, 2016).

A centralised model of accumulating capital means that majority of the rural and farming related work-forces in lower income countries were pushed to relocate to places with working capital i.e. urban areas, in the search of greener pastures. This situation created an excess of individuals in the urban labour force who lacked the

required expertise, and in most cases existing skills did not match urban jobs. Simultaneously, low-priced systems fostered by the innovations from mechanization and globalisation also decreased the number of workforce required, where production became more capital intensive than labour intensive which greatly benefited employers (Akiyode, 2017).

Evidently, unemployment includes the features of societal pressure which compel these persons to commence some form of activity for income generation. Low competitive academic capabilities in both the in public and private sector, could account for individuals deciding on informal economic activities. Generally, the informal economy can be viewed as the repercussion of exclusion in governance, and extremely disciplinary qualities of the public administrative environment, which contends the political agreement which was enacted for the purpose of addressing the issues of the informal economy (Carlos & Chivangue, 2017).

2.7.1 Economic Factors

The most widely referenced advantages of operating in the informal economy includes tax evasion, unlawful settlement of premises and unlawful tapping of power, all of which are views as a means to lower the costs of production and operation in informal businesses and to give them a competitive edge over formal firms that pay taxes, rent and utility bills (Chen, 2005). On the subject of payroll taxes, small-scale businesses who employ others are lawfully required to submit these but, by not documenting, mostly evade them. Notwithstanding, personal operators, who account for a huge portion of informal businesses in most developing nations, are not subject

to payroll taxes as they do not hire workers. In India, for instance, personal operations account for over 85 per cent of all informal businesses in production (Unni, 2005).

Informal economies survive as governments control markets. These regulations take the form of levies/tariffs, safety and health attestation, property-rights certification, old age and pension requirements, zoning requirements, fire prevention standards, and sanitation standards etc. Altogether these controls are vital, if not necessary to the nations' interest, yet they compound costs on businesses, therefore conferring competitive advantage businesses that are able to evade such regulations. In addition, the informal sector proffers a safety net from all regulations, therefore providing the opportunity to employ the minimally productive employees, which the formal sector is unable to contain (Thai *et al.*, 2012).

The informal economy is considered labour intensive and as such does not require high capital for purchase of equipment and machineries, most of the employment in the informal economy are carried out manually which translates into absorbing a multitude of persons in the labour force and thereby increasing employment. There is also the requirement of small amount of money to begin an informal business which makes the sector attractive and gives prospective informal operators the chance to begin a business, unlike the formal economy.

2.7.2 Social Factors

According to Chen (2005), certain types of informal employment are accompanied with adjustable working hours and other forms of conveniences, for instance, working at or close to one's home. Few women favour adjustable work hours and working from home due to rivalling time pressures in terms of their responsibility of both paid and

unpaid work. Consequently, the disadvantages of such adjustable working hours is uncertainty, which includes unpredictable quantity and quality of production of goods and services as a result of uncertain work hours, interrupted work schedules and unfavourable employment conditions; and unpredictable commercial contracts and payments due to inadequate market expertise and bargaining power. This applies in particular to the numerous home-based producers who are industrial outworkers also known as homeworkers.

Businesses and jobs in the informal economy are mostly flexible in nature, varying from working hours, skills required, and also types of goods sold and services rendered. Operators can opt to advance into selling of certain goods which are in season or are easier to procure. In addition, according to Carlos & Chivangue(2017) Employees in the informal economy usually earn decent wages as their employers have no responsibilities/commitment to paying tax. Moreover, efforts of employees in the informal sector is regularly conducted towards accomplishing a loyal customer threshold by creating and providing the finest goods and services. In the informal economy there is opportunity for personal relationship between employee and employer, as such making it easy to get approval when there is need to take a leave.

2.8 Contribution of the Informal Economy

Amin(2002) debates on the significance of the informal economy in developing nations, where numerous authors emphasize the informal sector's economic role in boosting the growth of the market economy, fostering a flexible labour market, stimulating productive activities, and accommodating diminished labour from the formal economy. Diversely, some authors are of the opinion that informal labour has

become a favourable instrument in pursuing the worldwide aim of privatisation and liberalization.

The informal sector is constantly expanding and has been serving as a protective umbrella in providing income and employment to teeming poor, including Nigeria. The average employee in the Nigerian informal economy experiences consequential forms of under-employment. Interestingly, despite the low productivity of the informal economy, its contribution to national output is evident, and it accounts for a sizeable amount of Gross Domestic Product in developing nations (Onwe, 2013).

Cheston and Khun (2002) cited in Saunyama, (2013) stated that men often contribute 50% of their earnings to the cumulative household funds while women contribute 80%. This shows that women who engage in informal economic activities spend a larger share of their incomes derived from informal jobs in household spending, from this statistics, it can be deduced that involvement of women in the informal economy translates to an enhancement in the well-being of the household. Involving in these jobs has lengthened advantages as it produces families who become independent and do not rely on the government for sustenance and off springs with greatly enhanced life opportunities.

On the regional level, there is a positive connection between the portion of people employed in the informal economy and percentage of households whose themselves as unable to afford adequate nourishment, meanwhile the link with the percentage of families who believed themselves to be unable to obtain the most vital items in the consumer basket is even higher. Chreneková et. al. (2016) this connection is obvious even with control for the regional disparities in the level of income, where it is

expected to crucially impact the discerned quality of life of the residents. The strongest statistical relationship can be spotted between the size of informal jobs and the share of families who view themselves as poor.

In addition to the importance of the informal economy, Brown (2005) noted that in both developing and developed nations, the informal economy is linked to the formal economy of the local and global economy by way of subletting networks and commodity chains. To point out, food vendors selling cigarettes, clothes, electronic goods and branded goods which are gotten from the formal sector. The informal economy serves as a major instrument for economic growth and development, in most developing nations, the informal sector including street vending is the greatest source of employment, investment and public revenue.

While entrepreneurship in the informal sector takes place outside formal arrangements, informal economic activities make up approximately 30% of economic activities all over the world. Informal entrepreneurship are often unchecked, considering that it largely contributes to economic growth and development and also poverty alleviation. Thus, the informal sector is susceptible to unethical practices including corruption, ill treatment of workers and natural environment abuse, to name just a few. (Thai *et al.*, 2012).

A huge share of the population in developing nations typically rely on the informal sector for its livelihood, where their income is acquired from subsistence farming or operation of micro unincorporated businesses. Some operators trade in the streets or in markets, transport people or goods, and supply variety of personal services. Although the informal economy attributes a substantial part of the Gross Domestic Product

(GDP), these operators lack access to social security and the operators workout of sight of employment and safety regulation. (Blades, Ferreira, & Lugo, 2011).

2.9 Choice of Location for Informal Economic Activities

Spaces in urban areas constitutes an essential component in the economies of cities in supporting the informal livelihoods of residents. Informal economic activities are now greatly evident in urban areas of the developing world and have enhanced into major options for livelihoods in the face of growing poverty (Lyons *et al.*, 2012).

Given that all forms of human activities are known to occur in space, there is great interest for urban public land and spaces for the accommodation of the ever growing need of the informal sector to inhabit and also buy and sell. Inevitably, all lands seen as accessible and fit is transformed to a purpose suiting the activities of the enterprise, therefore translating in the erection of workshops, shops kiosks, and other short-term makeshift buildings without consent from formal authorities. This situation is not distinctive to only already built up areas, but are in fact apparent in well planned residential estates where open spaces designed for recreational purposes, have been infringed by the surge of informal economic activities. (Adeyinka *et al.*, 2006).

Uboguet *al.* (2011) examined the factors that determine the locational decisions of micro-scale informal business promoters in urban Zaria. The location of micro-scale businesses in residential locations in Zaria urban area have implications which are extensive to the landscape of urban areas like environmental health, planning policy and value of life and property. Ubogu further argued that, although the informal enterprises in urban Zaria has impacted greatly in locations of job opportunities

including sustaining the economic welfare of many urban centers in Nigeria, Zaria inclusive, it is paramount to cut down the pattern of locations of these enterprises. The findings of the study revealed that most of the informal sector activities came into existence of recent. The study did not venture into the relationship, be it negative or positive between location decision of informal economic operators and its impact on the management of the city. He further ranked the eight factors that influence the location of an enterprise, which are as follows:

- i. Proximity to family members
- ii. Entrepreneurs' residence
- iii. Enough customer threshold
- iv. Personal attachment to the area
- v. Local recognition of entrepreneur
- vi. Available and cheap space
- vii. Place of birth
- viii. Agglomeration economies.

Businesses in urban areas thrive on certain locational factors like infrastructural facilities, value chains, and supply of labour with various sets of expertise. Rural areas on the other hand, are endowed with the advantages of unique resource which are missing in urban locations, such as lesser cost of living and doing business, resilient cultural and institutional systems. As such, businesses take part in border spanning activities in their locations to increase possibilities of survival, competitive advantage and inner assessment of its assets aids in forming the dynamics of the enterprise, culture, spatial relationships and levels of expertise. (Lindgren *et al.*, 2008).

Informal economic activities operators' choice of spaces for their businesses are as a result of their availability and accessibility for customers to buy merchandise, locating their businesses on the road reserve is mainly due to high human and vehicular flow, which guarantees easy access to customers for their goods and services. Transportation routes play a vital part on locations of informal businesses especially where they are able to attract significant pedestrian flow. Osengo&Chepkemei (2011) further showed that Customer threshold and high human traffic flow were the most important factors for the location of the business, with 27.6%, where observation shows that informal businesses are concentrated near junctions and bus stops. Desire to work close to home was another factor, accounting for 17.1%, which enables them do household chores and attend to their family while attending to business, affordable rent was also a key factor in determining location for informal enterprises. Ease of setting up business at location accounted for 8.6%, gap in provision of goods and services in the location accounted for 3.8%, and lastly accessibility of the location at 1%.

Akiyode (2017) enforces that street traders operate in and around spaces that facilitate optimal interactions with potential customers, a pattern corresponding with the busiest and most central parts of a city. In the study area of the research, Lagos, street trading is prevalent and its misuse of public space is contentious for spatial governance. Attempts at regulation worsen the precarious status of street traders and are mostly unsuccessful, and this is due to the limited understanding of the spatiality of street trading.

Due to the small capital involved in the investment, the informal economic activities have the tendency to locate anywhere; along the roads, sidewalks, under trees empty lots where they do not only cause traffic congestion and delays but also create nuisance by way of waste generation and poor methods of waste disposal. Public authorities have made various efforts to curb the environmental and physical problems posed by the informal sector. The solutions mostly adopted by these authorities are relocation of these operators to areas outside the urban area and demolition of these make-shift shops. Unfortunately, these actions have failed to solve the problem, this is because, the actions taken are casual and adhoc without detailed survey and analysis of the problems involved.(Ahmed, 1998).

Banwoet *al.* (2017) argued that location provides various advantages to businesses, and existence of resources boosts the growth and survival of a business depending on its size and type.

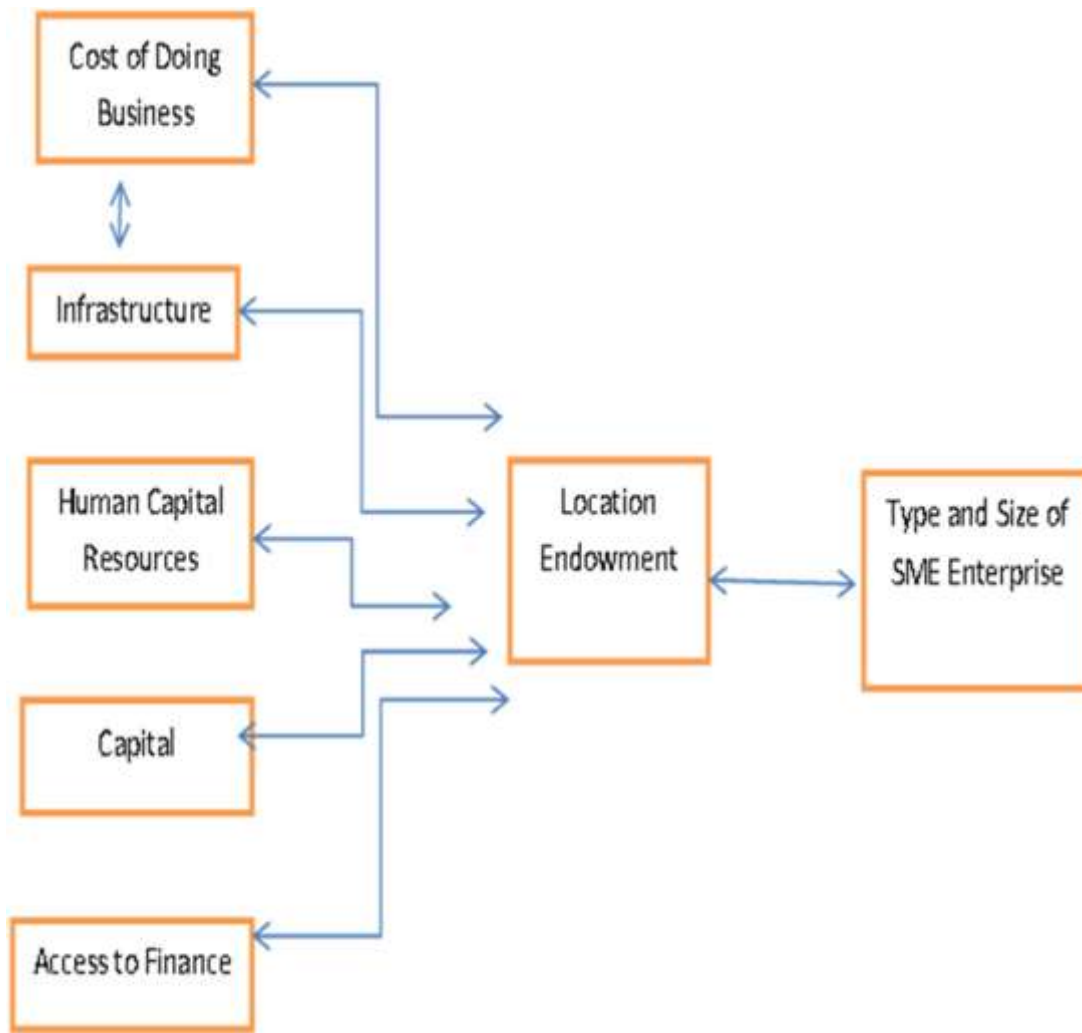


Fig 2.1 Location specific conceptual framework of business

Source: Banwo *et al.*, (2017)

2.10 Implication of Choice of Location for Informal Economic Activities on Urban Planning and Management

Although street trading is an essential source of income to the urban poor, these businesses are considered as illegal activities and street vendors are treated like criminals. This is on account that street traders occupy walkways and footpaths

leaving no space for pedestrians, which creates a problem for well-ordered vehicular and pedestrian movement and also pollutes the environment. Traders populate public spaces and transit routes which could result to pickpocketing, and theft which constitutes several problems in the management and development of the city (Timalsina, 2011).

Given that informal economic activities are located on public space, it suggests negative externalities as people derive benefit from a public space while they are unable to compensate for inconveniences they cost. From a planning perspective, it illustrates the inadequacy in planning to comprehensively respond to the developmental requirements of rapid urbanization. The main policy challenge with regards to the locations of these activities is how to control the urban informal economy to foster job creation, productivity and source of livelihood for the poor while simultaneously ensuring a healthy and socially tolerable environment and also how to contain the adverse effects of the activities of this sector on the environment without causing disorder to livelihood and creating social distress. (Nwaka, 2005).

According to Adeyinka *et al.* (2006) provision of space for informal economic activities have not been made with respect to the amount of operators in the sector, as such land use have become deformed alongside disorganised and unplanned development e.g. in areas where businesses, light industrial and service activities are striving for land space at the expense of organized residential neighborhoods. It is assumed that urban areas will steadily entice unemployed labour force from rural areas. It is crucial to develop measures where informal economic activities will be controlled in order to eradicate or curb the menace posed by them.

The non-uniform nature of urban economies including the growth of the informal sector which cities in third world countries strongly rely on for job creation are major elements aggravating the issues of solid and liquid refuse management in Nigeria and other African cities. The all-embracing existence of the haphazard and badly housed informal economy in many parts of Africa makes disposal, retrieval, transportation and accurate treatment of urban refuse exceedingly strenuous. Other aspects include overall issues of lack of power over mode of consumption and reduction of refuse, absence of suitable landfill sites, and insufficient available funds (Onyenechere, 2011). The author further explained that informal economic businesses carried out on streets and other public places, are often viewed as unacceptable for environmental management particularly by urban authorities who are concerned about maintaining clean urban areas. Consequently, informal economic activities are usually viewed as “eye-sores” by many individuals and are dislodged from urban centers under the guise of “public cleanliness and orderliness”. Although, most view the environmental challenges that accompanies the informal sector as majorly an illustration of unresponsive physical planning structure, while on the other hand, others see them as resulting from attributes which are implications of the informal sector’s activities.

There is an obvious observation that most cities of developing countries are faced with informality in various service areas. This has become a major source of land use conflicts in spite of a long duration of urban planning practices, some of these activities take place in planned areas where they are unable to afford the land values and rates in the spaces they occupy. Insecurity, congestion, neighbourhood devaluation as a result of spatial disharmony caused by unregulated informal business activities, building alterations in the neighbourhood, as well as various nuisance

effects such as noise pollution, dust and smoke, are attributed to the snowballing effect of informal economic activities (Osengo&Chepkemei, 2011).

2.11 Summary of Literature Review

The review of literature shows the trend of Informal economic activities from 1970_2019. Although the informal economy is viewed controversially, it is important to note that informal economic activities are not carried out with the aim of tax evasion, breaching of labour rulings and other regulations. The informal economy amongst its advantages to job creation and poverty reduction, also provides services to low income earners which would otherwise be overpriced. The growth of the urban informal economy is seen as a better part of the worlds' economy is in the informal sector, this is attributed to the informal economy requiring small amount of capital, seen as a means of transitionary employment, adjustable work hours, and its contribution to livelihood amongst others. The sector also absorbs multitude of persons as it is labour intensive.

However, a vast majority of informal economic activities are more evident in urban areas of developing countries with great interest in public land/space for accommodating the ever growing need to buy and sell. Due to small capital required, these activities tend to locate anywhere; along roads, sidewalks, transit routes, open spaces etc. These locations result in spatial disharmony, disruption of movement, building alteration, and inappropriate waste generation and disposal amongst others.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1Introduction

This section focuses on the data required, sources of data, instruments used in data collection, sample size and sampling techniques, as well as the methods used in the

analysis of data with the aim of identifying the determinants of choice of location for informal economic activities in Ilorin urban area.

3.2 Research Design

The study employs a research design using qualitative methods, which focused on obtaining data through open-ended interviews and further discussion. During the course of the study, reconnaissance survey and observation was carried out to gain a general understanding of the Ilorin urban area in the context of the study. This survey was also to depict areas to be sampled, dominated with informal economic activities infringing public spaces and exhibiting implications on planning.

A pilot survey was carried out to test if the questions on the interview forms would yield desired results, and subsequent modifications were made. The use of oral interviews were employed, to avoid influencing the responses of informal economic activities operators and to enable them express their thoughts freely.

A visit was made to Kwara State Town Planning Development Authority (KWTPDA), where an interview session was carried out with an official, to gain insights on areas constituting nuisance to the city as a result of informal economic activities, implications of the locations of these activities on urban planning and management and steps taken to address the inappropriate locations of informal economic activities.

3.3 Data Required and Sources

Data required and obtained for the study were categorized into:

1. Primary data: Primary data required and obtained for the study includes data on

types and characteristics of informal economic activities; types of goods sold and services rendered, location of business spaces, location preference, and processes for acquiring space for business.

2. Secondary data: Secondary data required and obtained for the study includes relevant information covering subsectors of informal economic activities, determinants of choice of location for informal economic activities were extracted from dissertations, journals, maps, published and unpublished literature etc.

These data were acquired in accordance to the objectives of the study as shown in Table 3.1 below:

Table 3.1 Data required and sources

Data required	Data source	Method of data collection	Method of data analysis
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Concept of informal economy and urban areas	Journals, dissertation, published and unpublished literature	Review of journals, dissertation, published and unpublished literature	Content analysis
Characteristics of informal economic activities	Field survey.	Observation, Oral interviews.	Descriptive analysis.
Causes of choice of location for informal economic activities	Field survey	Oral interviews	Content analysis
Land use map of Ilorin urban area	Field survey, Kwara State Town Planning Development Authority(KWTPDA)	Oral interviews	Descriptive analysis
Locations of informal economic activities infringing public spaces in Ilorin urban area	Field survey,	Oral interviews, Observations.	Descriptive analysis.

Source:Field Survey, 2019.

3.4 Instruments for Data Collection

Data for the study were acquired using the following instruments:

- 1. Observation:** This exercise entailed various visits to areas experiencing significant informal economic activities in the study area for better understanding on the existing condition and the environment. This aided the understanding of the characteristics of informal economic activities in the study area and helped in defining the scope of the study choosing the selected locations.
- 2. Interview forms:** Oral interviews were used as the main instrument for data

collection to enable respondents freely express themselves and to acquire detailed information from the informal economic activities operators. Illiteracy and language barrier among the population of interest, impatience on the part of the operators to tick questionnaires also warranted the use of interviews. The interview forms provided information on types of informal economic activities, choice of location, processes for space acquisition, rent rate, tax rate, and location satisfaction.

3. **Recorder:** An audio recorder was used during oral interviews, to record interview sessions carried out with informal economic activities operators.

3.5 Sample Size and Sampling Techniques

3.5.1 Sample Size

Due to lack of information on the population of informal economic activities operators in the study area to determine a sample size for the study, cluster sampling was used, five clusters were selected based on their similar shared attributes of high concentration of informal economic activities with inappropriate locations with the implications of infringing public roads, public spaces, and walkways among others. Subsequent to the selection of these locations based on their shared characteristics, oral interviews were administered to 10 informal economic activities operators in each of these locations bringing to a total of 50 oral interviews.

The sample size of 50 was considered adequate on account of a pilot survey carried out, profiling the population of interest, which revealed that the population of Ilorin Urban area is homogenous in nature with similar trade, same socio religious and socio cultural background. It was thus concluded that a small sample size of 50 can be used for a general representation of Ilorin urban area in the context of the study.

The sampled areas selected for the study are:

1. Oja- Oba
2. Oja- tuntun
3. Ikpata
4. Post Office
5. Challenge

3.5.2 Sampling Techniques

Oral interviews were administered using purposive sampling technique, where only the first 10 individuals who were informal economic activities operators carrying out their businesses at inappropriate locations like major roads, walkways and points not originally intended for business activities and who were also willing and able to participate in the interviewing exercise were interviewed in each of the selected clusters.

3.6 Data Analysis

Records of oral interviews collected on field were listened to, transcribed and subsequently coded into groups for classification were and analyzed using descriptive statistics such as percentages and charts. Some interview responses were reported verbatim to express some information in their unadulterated state. These responses mostly included oral interviews carried out with officials of Kwara State Town Planning Development Authority(KWTPDA).

Data were further analysed by classifying types of informal economic activities into subsectors of informal economic activities in line with Oladimeji, (2012).

3.7 Summary of Methodology

The study was carried using qualitative methods this was to give room for in-depth communication, richer data and storytelling. Primary and secondary data required for the study were obtained through observation, and administering oral interviews. 5 clusters were selected based on similarly shared attributed of informal economic activities infringing public roads and spaces. Oral interview were administered to 10 respondents each ineach cluster, bringing to a total of 50 respondents. Purposive sampling technique was used, where only the first 10 individuals who were informal economic activities operators and were willing to participate in the exercise were interviewed. An interview was carried out with an official at KWTPDA. Data were analysed using content analysis and descriptive statistics and some interview responses were reported verbatim.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

This section focuses on presentation and analysis of data gotten from field. Data on types and characteristics of informal economic activities will be analysed on aggregate to show the general types of informal economic activities practiced in Ilorin urban area, which will be further grouped into subsectors, irrespective of their clusters. Data on determinants of informal economic activities will be analysed according to each cluster of informal economic activities visited on the field.

4.2 Characteristics of Informal Economic Activities

The characteristics of informal economic activities in Ilorin urban area will be explained in details with respect to, classification of types of informal economic activities, time of operation and location pattern of informal economic activities and the spatial coverage of informal economic activities.

4.2.1 Classification of Informal economic activities

Type of informal economic activities taking place in Ilorin urban area by the operators of informal economic activities were classified according to subsectors of informal economic activities in line with Oladimeji, 2010 where informal economic activities into subsectors of retailing, services and production. The 50 respondents interviewed covered each subsector of informal economic activities.

Retailing Subsector:

Informal economic activities operators engaging in retailing activities were interviewed, Table 4.1 below shows the types of informal economic activities in the

retailing subsector in Ilorin urban area, the number of operators engaging in each activities and the percentage of these operators of the total respondents inclusive of the services and production.

Table 4.1 Types of Informal Economic Activities in Retailing Subsector

S/no	Type of Informal economic activity	No of operators	Percentage of total respondents (%)
1.	Sale of new & second hand clothes	8	16
2.	Sale of bread by the road	2	4
3.	Sale of books & stationaries	2	4
4.	Sale of electrical tools	2	4
5.	Sale of foot wears	6	12
6.	Sale of cosmetics	3	6
7.	Sale of phone accessories & CDs	5	10
8.	Sale of perishable foods	2	4
9.	Making & selling ice blocks	2	4
10.	Sale of gas & cylinders	1	2
11.	Sale of jewelries	3	6
Total		34	68%

Source: Field survey, 2019.

Table 4.1 above established sale of new and second hand clothes as the highest types of retailing informal economic activities practiced respectively. The retailing

subsector accounts for 68% of the total respondents interviewed, which shows that retailing is by far the most practiced form of informal economic activity in Ilorin urban area.

Services Subsector:

This section portrays respondents interviewed in personal services & repairs subsectors, Table 4.2 shows the type of informal economic activities under the services subsector and also the number of respondents engaged in each type of informal economic activity and their percentages.

Table 4.2 Types of Informal Economic Activities in Services Subsector

S/no	Type of Informal economic activity	No of operators	Percentage of total respondents (%)
1.	Phone repairs	2	4
2.	Hair dressing	2	4
3.	Sale & repairs of wristwatches and glasses	2	4
4.	Printing & photocopy	3	6
Total:		9	18

Source: Field survey, 2019.

Deduced from the findings in personal services and repairs subsector, printing and photocopy were found to be the highest type of informal economic activity practiced in the sector. The services subsector accounts for 9 of the 50 respondents, this sector is the second most practiced form of informal economic activity in Ilorin urban area after retailing.

Production Subsector:

Informal economic activities operators under the production subsector were interviewed, Table 4.3 shows types of informal economic activities under the production subsector and also the number of respondents engaged in each type of informal economic activity and their percentages.

Table 4.3 Types of Informal Economic Activities in Production Subsector

S/no	Type of Informal economic activity	No of operators	Percentage of total respondents (%)
1.	Tailoring	2	2
2.	Making & selling of snacks	3	6
Total:		5	8

Source: Field Survey, 2019.

Generally, the table shows that making and selling snacks as the highest type of informal economic activity practiced in the production subsector. The subsector accounts for 8% of the total respondents interviewed covering 5 of the 50 respondents, this sector is the least practiced form of informal economic activity in Ilorin urban area.

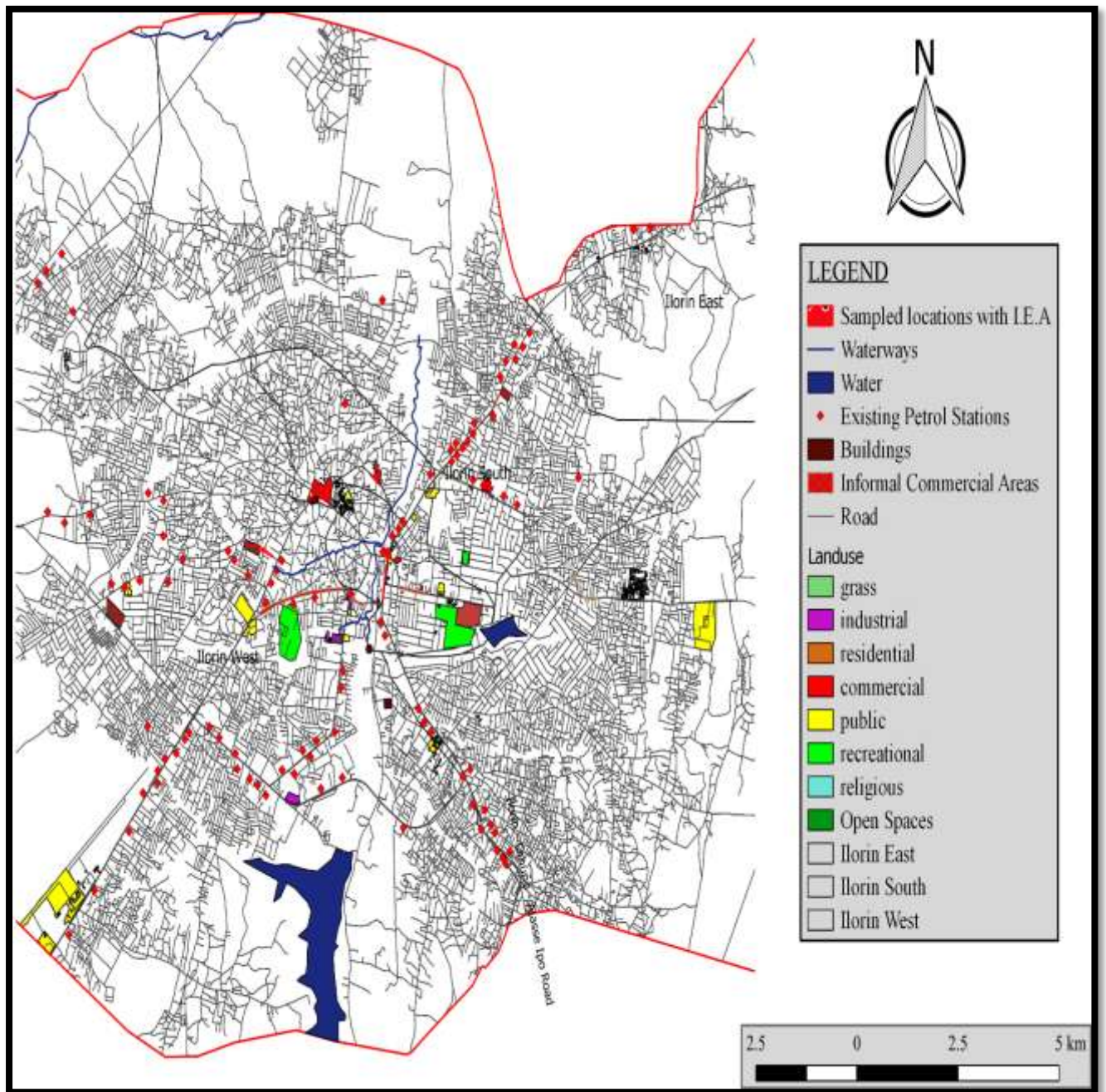
4.2.2 Time of Operation of Informal Economic Activities

It was observed that operation time of informal economic activities varied depending on the form of informal economic activity in question. Activities like sale of accessories i.e. earrings, wristwatches, rings, and sunglasses among others cosmetics, clothes, shoes, books and stationaries, electricals, CDs, phone accessories, and repairs

among others usually start business around 8am-9am, and close around 7pm-8pm, production and service activities like tailoring and hair dressing on the other hand open around 9am-10am and close depending on the activities of the day and availability of customers, bread sellers and maishai usually open around 7am, and close around 9pm and 10/11pm respectively with few customers in the afternoon hours.

4.2.3 Spatial Pattern of Informal Economic Activities

The location pattern shows areas in Ilorin urban area characterized with informal economic activities, where operators locate their businesses in inappropriate locations infringing public roads and public spaces. See Figure 4.1



Source: Field Survey, 2019.

Fig. 4.1: Pattern of informal economic activities in Ilorin urban area

Figure 4.1 above, portrays the pattern of informal economic activities in the study area with various locations of informal economic activities infringing public roads and

other forms of land use. These locations as the figure depicts are spread through, and are mostly found around garages, markets or major transit routes. Locations around garages can result from the crowd the garages pull, locations around markets result from spill out of operators from market areas.

4.3 Determinants of Choice of Location for Informal Economic Activities in Ilorin Urban Area

The determinants of choice of location for informal economic activities were transcribed and coded based on the responses of the operators interviewed in each cluster. The determinant each operators expressed for choosing their location for informal economic activities are shown in table 4.4, 4.5, 4.6, 4.7 and 4.8 based on each cluster with each operator is represented in a code. The determinants are further summarized to make a general analysis on Ilorin urban area in table 4.9.

Determinants of choice of location for informal economic activities were depicted where capital represents lack of access to sufficient capital, patronage represents customer patronage, recognition represents recognition of operator in location, preference represents personal preference for location, B district represents preference for business district, proximity represents proximity to place of residence, particular goods represents location is known for sale of particular goods, transportation routes represents proximity to transportation routes, utilities represent availability of utilities in location, and finally, space represents availability of space in location. The determinants of choice of location for informal economic activities were obtained from responses from oral interviews conducted with informal economic activities

operators and were subsequently coded based on their similarities.

Table 4.4 Determinants of choice of locations for informal economic activities in Oja Oba

CODE	DETERMINANTS OF CHOICE OF LOCATION FOR INFORMAL ECONOMIC ACTIVITIES									
	CAPITAL	PATRONAGE	RECOGNITION	PREFERENCE	B. DISTRICT	PROXIMITY	PARTICULAR GOODS	TRANSPORTATION ROUTES	UTILITIES	SPACE
OO1	1									
OO2			1							
OO3		1								
OO4					1					
OO5			1							
OO6		1								
OO7					1					
OO8						1				
OO9								1		
OO10						1				

Source: Field Survey, 2019.

Table 4.4 shows respondents interviewed at Oja Oba where “OO1” to “OO10” stands for respondent 1 to respondent 10 in Ojaoba, and the determinant each respondent expressed for choice of location for informal economic activities. Operators interviewed in Oja Oba expressed all determinants except preference for location, availability of utilities and availability of space.

Table 4.5 Determinants of choice of locations for informal economic activities in OjaTutum

CODE	DETERMINANTS OF CHOICE OF LOCATION FOR INFORMAL ECONOMIC ACTIVITIES									
	CAPITAL	PATRONAGE	RECOGNITION	PREFERENCE	B. DISTRICT	PROXIMITY	PARTICULAR GOODS	TRANSPORTATION ROUTES	UTILITIES	SPACE
OT1		1								
OT2			1							
OT3	1									
OT4				1						
OT5					1					
OT6							1			
OT7				1	1					
OT8								1		
OT9										1
OT10		1								

Source: Field Survey, 2019.

Table 4.5 shows respondents interviewed at Ojatutum where “OT1” to “OT10” stands for respondents 1 to 10 in Ojatutum, and the determinant each respondent expressed for choice of location for informal economic activities. Operators interviewed in OjaTtun expressed all determinants except proximity to place of residence and proximity to transportation routes.

Table 4.6 Determinants of choice of locations for informal economic activities in Ipata

CODE	DETERMINANTS OF CHOICE OF LOCATION FOR INFORMAL ECONOMIC ACTIVITIES									
	CAPITAL	PATRONAGE	RECOGNITION	PREFERENCE	B. DISTRICT	PROXIMITY	PARTICULAR GOODS	TRANSPORTATION ROUTES	UTILITIES	SPACE
IP1							1			
IP2	1									
IP3							1			
IP4										1
IP5	1									
IP6						1				
IP7		1								
IP8								1		
IP9				1						
IP10		1								

Source: Field Survey, 2019.

Table 4.6 shows respondents interviewed at Ipata where “IP1” to “IP10” represents respondents 1 to 10 in Ipata, and the determinant each respondent expressed for choice of location for informal economic activities. Operators interviewed in Ipata expressed all determinants except recognition of operator in location, preference for business district, and availability of utilities.

Table 4.7 Determinants of choice of locations for informal economic activities in Post Office

CODE	DETERMINANTS OF CHOICE OF LOCATION FOR INFORMAL ECONOMIC ACTIVITIES									
	CAPITAL	PATRONAGE	RECOGNITION	PREFERENCE	B. DISTRICT	PROXIMITY	PARTICULAR GOODS	TRANSPORTATION ROUTES	UTILITIES	SPACE
PO1					1					
PO2			1							
PO3					1					
PO4										1
PO5									1	
PO6					1					
PO7								1		
PO8					1					
PO9				1						
PO10		1								

Source: Field Survey, 2019.

Table 4.7 shows respondents interviewed at Post Office where “PO1” to “PO10” represents respondents 1 to 10 in Post office, and the determinant each respondent expressed for choice of location for informal economic activities. Operators interviewed in Post Office expressed all determinants except lack of access to sufficient capital, proximity to place of residence and location known for sale of particular goods.

Table 4.8 Determinants of choice of locations for informal economic activities in Challenge

CODE	DETERMINANTS OF CHOICE OF LOCATION FOR INFORMAL ECONOMIC ACTIVITIES									
	CAPITAL	PATRONAGE	RECOGNITION	PREFERENCE	B. DISTRICT	PROXIMITY	PARTICULAR GOODS	TRANSPORTATION ROUTES	UTILITIES	SPACE
CH1	1									
CH2							1			
CH3	1									
CH4								1		
CH5							1			
CH6							1			
CH7					1					
CH8					1					
CH9		1								
CH10					1					

Source: Field Survey, 2019.

Table 4.8 shows respondents interviewed at Challenge where “CH1” to “CH10” represents respondents 1 to 10 in Challenge, and the determinant each respondent expressed for choice of location for informal economic activities. Operators interviewed at Challenge expressed all determinants except recognition of operator in location, proximity to place of residence, and availability of utilities and availability of space.

Table 4.9 Summary of determinants of choice of locations for informal economic activities

CLUSTER	DETERMINANTS OF CHOICE OF LOCATION FOR INFORMAL ECONOMIC ACTIVITIES									
	CAPITAL	PATRONAGE	RECOGNITION	PREFERENCE	B. DISTRICT	PROXIMITY	PARTICULAR GOODS	TRANSPORTATION ROUTES	UTILITIES	SPACE
OJA OBA	1	2	2	0	2	2	0	1	0	0
OJA TUTUN	1	2	1	2	1	0	1	0	1	1
IPATA	2	2	0	1	0	1	2	1	0	1
POST OFFICE	0	2	0	1	4	0	0	1	1	1
CHALLENGE	2	1	0	0	3	0	3	1	0	0
TOTAL	6	9	3	4	10	3	6	4	2	3

Source: Field Survey, 2019.

Table 4.9 shows the determinants of choice of location for informal economic activities from the respondents across all five sampled clusters in the study area. The table also shows the number of respondents who expressed each determinant per cluster. These determinants are further explained below

4.3.1 Lack of Access to Sufficient Capital

Lack of access to capital were drawn from the responses of the informal economic activities operators as one of the determinants of choice of location for informal economic activities, based on the discussions during the oral interviews, it was deduced that operators lacked adequate money to rent desired shop or space for their businesses and as such settled for locations where little stipends were required as

payments for spaces of business; and in some cases operators do not pay rent. Analysis from Table 4.9 show that 6 of the total 50 respondents interviewed expressed financial constraint as a determinant for choosing their current location for business, accounting for 12% of the total determinants expressed by respondents, financial constraints were highest in Ipata and Challenge respectively, none of the respondents at Post office expressed financial constraint as a determinant for choice of location for informal economic activities.

4.3.2 Customer Patronage

The major reason informal economic activities operators venture in the informal sector is to make profit from business in order to make ends meet, which is impossible without customer patronage who purchase goods from informal economic activities operators translating into income for these operators. Customer patronage recorded the second highest number of responses where 2 respondents each in Oja Oba, OjaTutun, Ipata, and Post Office expressed as a determinant of choice of location for informal economic activities and 1 respondent in challenge, customer patronage accounted for 18% of the total determinants expressed by respondents.

4.3.3 Recognition of Operator in the Location

Some operators expressed recognition of operator in the location as a determinant for choice of location for informal economic activities, where operators have been in one location for a long period of time and as such gained recognition where when customers are seeking to purchase certain goods, the operator is easily known or remembered. These respondents fell under Ojaoba, this can be attributed to the fact

that Ojaoba is arguably the oldest market in Ilorin urban area and these operators have been known in this location over a period of time. Only 6% of the informal economic activities operators, accounting for 3 of the 50 respondents interviewed, expressed recognition of operator in the location as a determinant for choice of location for informal economic activities, these respondents were 2 in Ojaoba and 1 in Ipata. This can be attributed to the fact that Ojaoba is arguably the oldest market in Ilorin urban area.

4.3.4 Personal preference for location

Deduced from the responses of the oral interviews, informal economic activities operators seldom choose locations for their business based on their personal preferences or love for the location without specific reasons or factors. 2 respondents in OjaTutun, and one respondent each in Ipata and Post office admitted personal preference for location as determinant of choice of location for informal economic activities, bringing to a total of 4 respondents of the 50 respondents interviewed. On the other hand, none of the respondents interviewed at Oja Oba and Challenge expressed personal preference for location as a determinant for choice of location for informal economic activities. This determinant accounted for 6% of the total determinants expressed by respondents.

4.3.5 Preference for Business District

Informal economic activities operators often view some areas as business district due to the high concentration of commercial and business activities, and also existing high density in the location. Some of the operators interviewed regarded their current

locations as business districts which was their major determinant for choosing the location. It was deduced that Location being a business district is the highest determinants expressed by the respondents across all locations sampled, 2 respondents in Oja Oba, 1 respondent in OjaTutun, 4 respondents in Post office and 3 respondents in Challenge expressed the determinant as a choice of location for informal economic activities, bringing to a total of 10 of the 50 respondents interviewed, which accounts for 20% of the total determinants.

4.3.6 Proximity to Place of Residence

It was observed that minority of the operators interviewed, chose their current location on the condition of its proximity to their place of residence for ease of coming and going home. As shown in Table 3.4, of the total informal economic activities operators interviewed, 2 in Oja Oba and 1 in Ipata expressed proximity to place of residence as a determinant of choice of location for informal economic activities, none of the respondents interviewed at OjaTutun, Post office and Challenge expressed proximity to place of residence as a determinant for choice of location for informal economic activities.

4.3.7 Location known for sale of particular goods

Certain locations in the study area, are known for sale of particular goods or rendering of particular services, for instance, Challenge as observed is dominated in sale of phone, phone accessories, computers, and repairs of phone and laptops, post office is dominated in sale of clothes, jewelries, foot wears etc. Operators who engage in a type of informal economic activity which have locations where they are dominated,

often tend to seek for space for their businesses in such locations. Inference drawn from the table states location known for sale of particular goods as a determinant of choice of location for informal economic activities accounts for 12% of the total determinants expressed by the respondents, with 6 of the 50 respondents. The 6 respondents were 3 in Challenge, 2 in Ipata, and 1 each in OjaTutun and Post office respectively. None of the respondents interviewed at Oja Oba expressed this determinant as a choice of location for their informal economic activities.

4.3.8 Proximity to transportation routes

It can be inferred from the interviews that some of the informal economic activities operators expressed locating their business at the roadside because it was best to locate their goods outside shops on the roads where customers can see their goods, passersby may not have premeditated intention to purchase a particular good, but might make purchase upon seeing the good(s) while passing. Proximity to transportation routes were equally admitted across four of the five locations sampled, 1 respondent each in Oja Oba, Ipata, Post office and Challenge admitted the location being on the roadside as a determinant for choosing their location for informal economic activities bringing to a total of 4 of the 50 respondents interviewed. This can be attributed to the fact that these locations are on the roadside on the way to other locations in Ilorin urban area where individuals could just be passing through, OjaTutun on the hand, does not lead to a further location, people who visit the market or the market spill over do so with the purpose of going there. One of the respondents who sells female footwear and is Igbo by tribe reported:

”This is Yoruba land, and Yoruba people like to buy things outside instead of entering

inside market, that is why I come here.”

4.3.9 Availability of utilities in location

Of the respondents interviewed, only respondents in Post office and OjaTutun, expressed availability of utilities in location as a determinant of choice of location for informal economic activities. This can attributed to the fact that there is often availability of electricity in Post office and Ipata. The least expressed determinant of choice of location for informal economic activities by the respondents was availability of utilities in the location with only 2 respondents of the 50 respondents interviewed, these respondents were 1 each in OjaTutun and Post office, this can be ascribed to the feature of electricity in these locations. None of the respondents at Ojaoba, Ipata and Challenge expressed availability of utilities in location as a determinant.

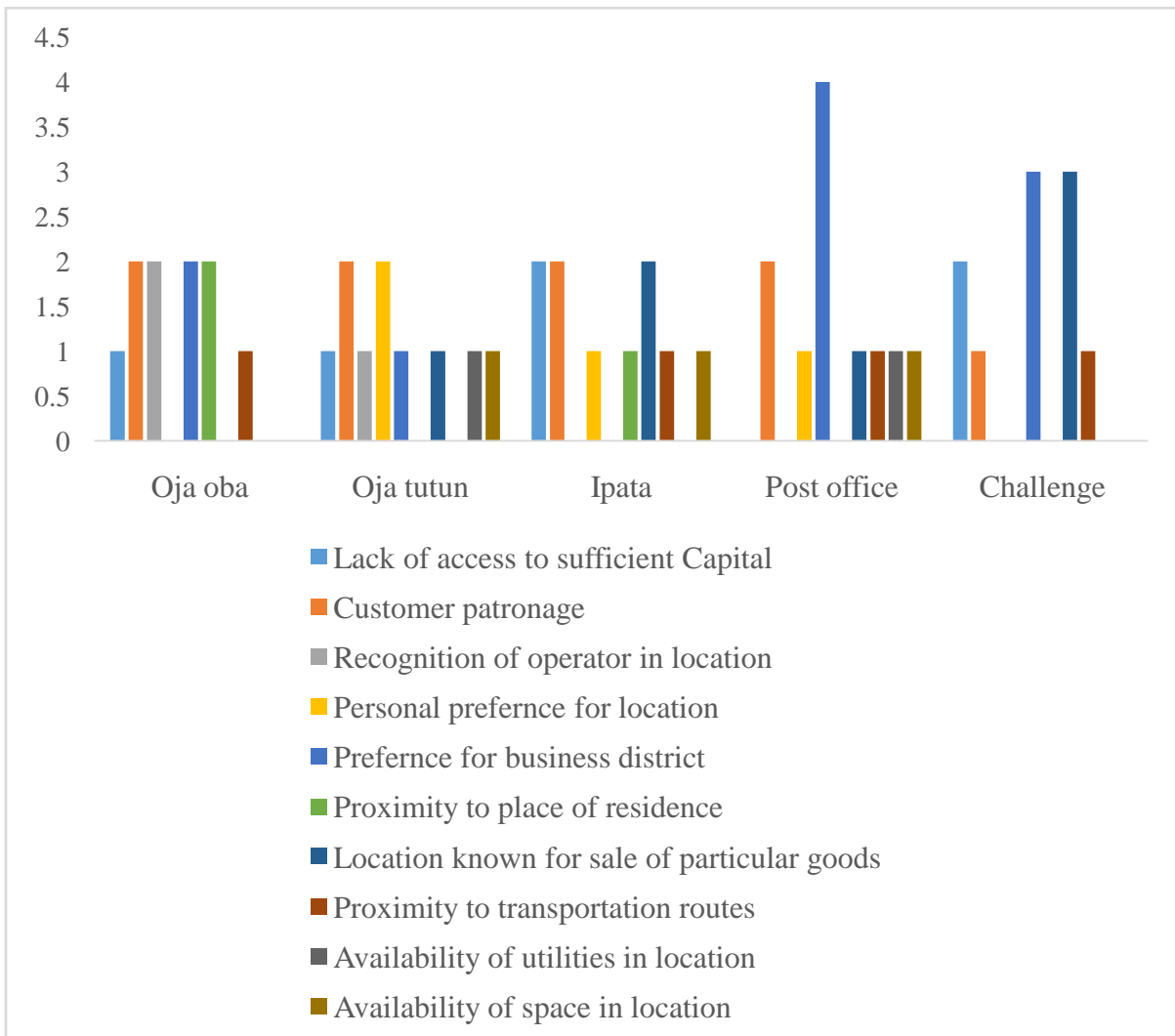
4.3.10 Availability of space in location

Based on the continuous demand for space for informal economic activities, locations for businesses are often occupied. Operators tend to locate their businesses anywhere they can secure space, this is not different from the findings in the study area. Findings in the Table show that only 3 of the 50 respondents expressed availability of space in the location as a determinant of choice of location for informal economic activities, with 1 respondent each in OjaTutun, Ipata, and Post Office. This determinant accounts for only 6% of the total determinants.

4.4 Similarities and Differences in Determinants of Choice of Location in the sampled clusters of Ilorin Urban Area

The determinants of locational choice for informal economic activities in Oja Oba, OjaTuntun, Ipata, Post Office and Challenge are presented in order to show the disparities in the determinants of informal economic activities operators' choice of location in each cluster and also make comparisons. See figure 4.2 below:

Fig 4.2 Similarities and differences in determinants of choice of location for informal economic activities in the sampled clusters



Source: Field Survey, 2019.

Figure 4.2 above shows the sampled locations in the study area, where oral interviews were administered to informal economic activities operators, and also the differences in determinants of choice of location for informal economic activities in the sampled

locations based on the responses from the oral interviews. These rankings differ among the sampled locations, which is due to peculiar characteristics of each location which influences the choice of location for informal economic activities in the study area.

4.4.1 Oja Oba Market Spillover

Oja Oba market deals with sale of foodstuff, household items, jewelries, clothes, hair attachments, foot wears among others and services like money exchange, tailoring, hair dressers etc. Highest ranking determinant were found to be customer patronage, recognition of operator in the location, business district, and Proximity to place of residence. These determinants can be ascribed to the fact that Oja Oba is arguably the oldest market in the study area.

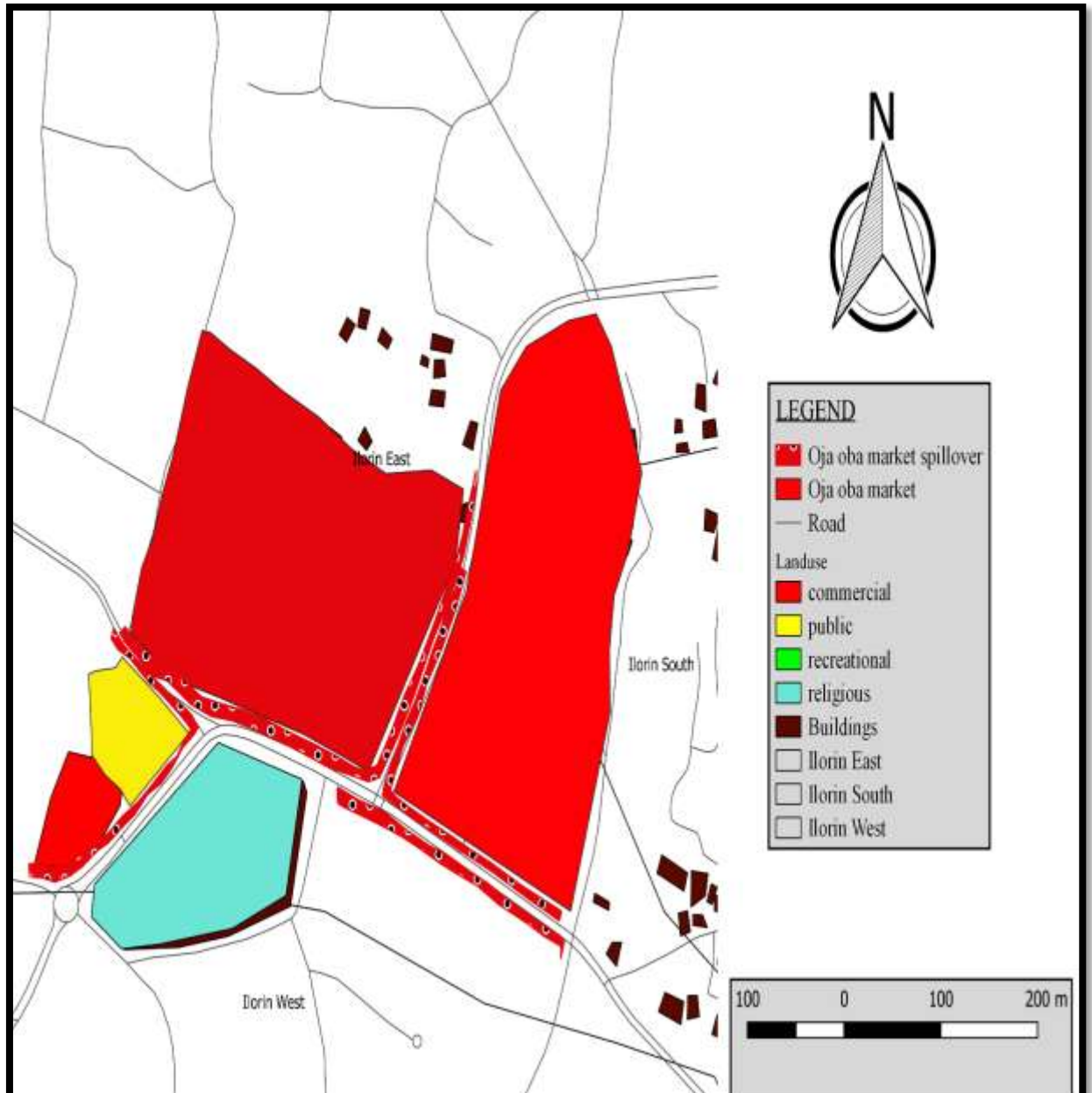


Figure 4.3 Oja Oba market spillover

Source: Field Survey, 2019.

Figure 4.3 shows the spillover of informal economic activities from Ojaoba markets into the roads, surrounding the central mosque and other roads. It is also located close the Ilorin central mosque and the emirs palace, and as such operators have maintained this location for their businesses over a long period of time which covers recognition

of operators in location, customer patronage and business district as it pulls in customers for being arguably the oldest market, lastly Oja Oba is located close to residential areas, where operators can easily move to and fro their location of businesses.

4.4.2 OjaTutun Market Spillover

Analysis portrays the highest ranking determinant in OjaTutun market spillover to be customer patronage and personal preference, based on observation, this can be attributed to OjaTutun being a large market with sale of variety of goods and ease of accessibility to the market, operators in OjaTutun deal mostly in sale of provision, different types of materials and yards, cosmetics, foodstuffs, beddings, and second hand clothes.

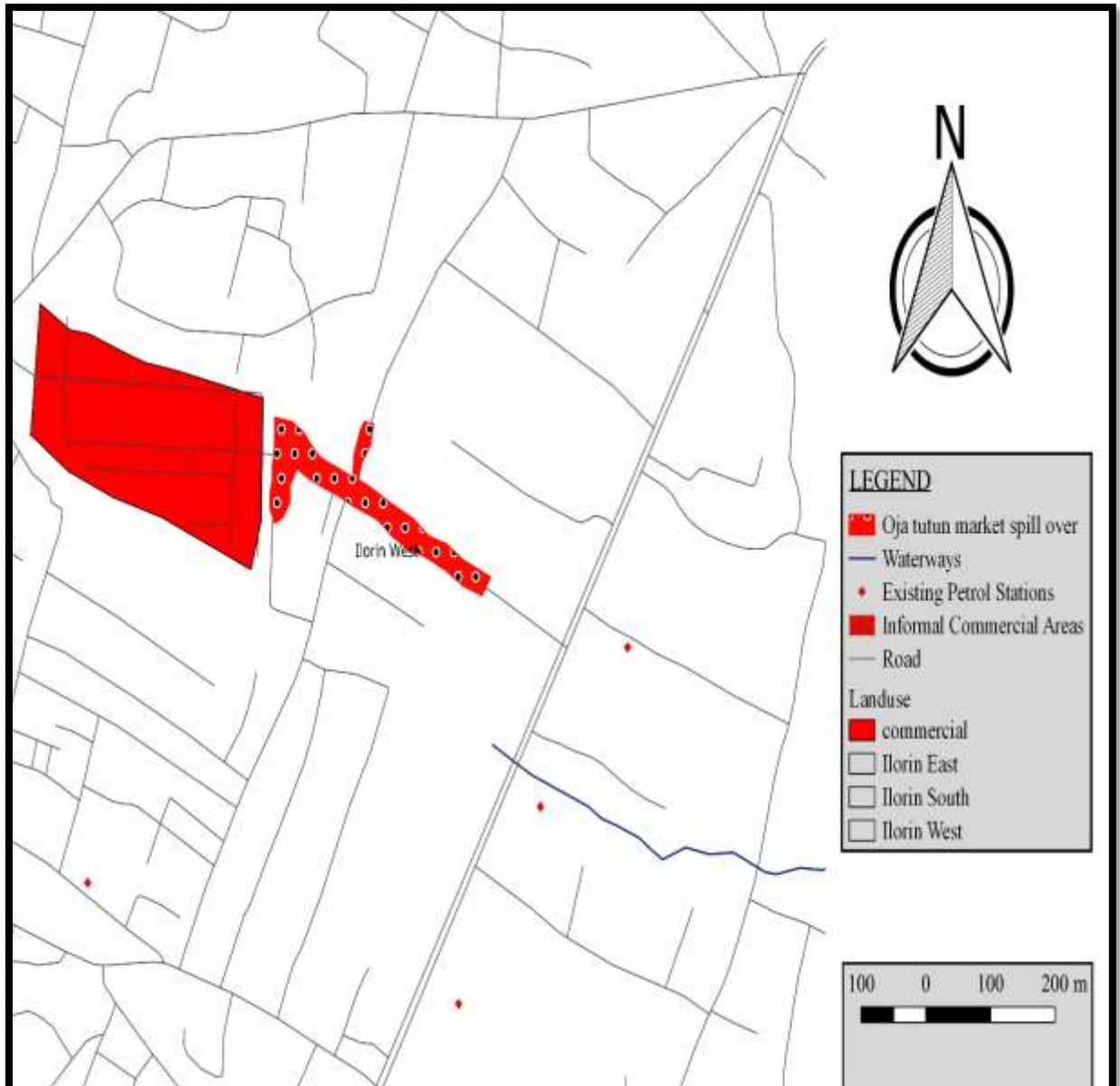


Figure 4.4: OjaTutun market spillover

Source: Field Survey, 2019.

Fig 4.4 shows spillover of informal economic activities from OjaTutun market into the public roads, the location easily links to Ibrahim Taiwo road, which is a central area and Agogba a residential area.

4.4.3 Ipata Market Spillover

Ipata market spillover on the other hand, had the highest ranking determinant of financial constraint, customer patronage, and location being known for the sale of particular goods respectively. Operators in Ipata deal mostly in livestock (cow meat, goat meat, pome, frozen chicken, fish and turkey) as the abattoir is located in Ipata, operators also sell fruits, foodstuff and provision etc.

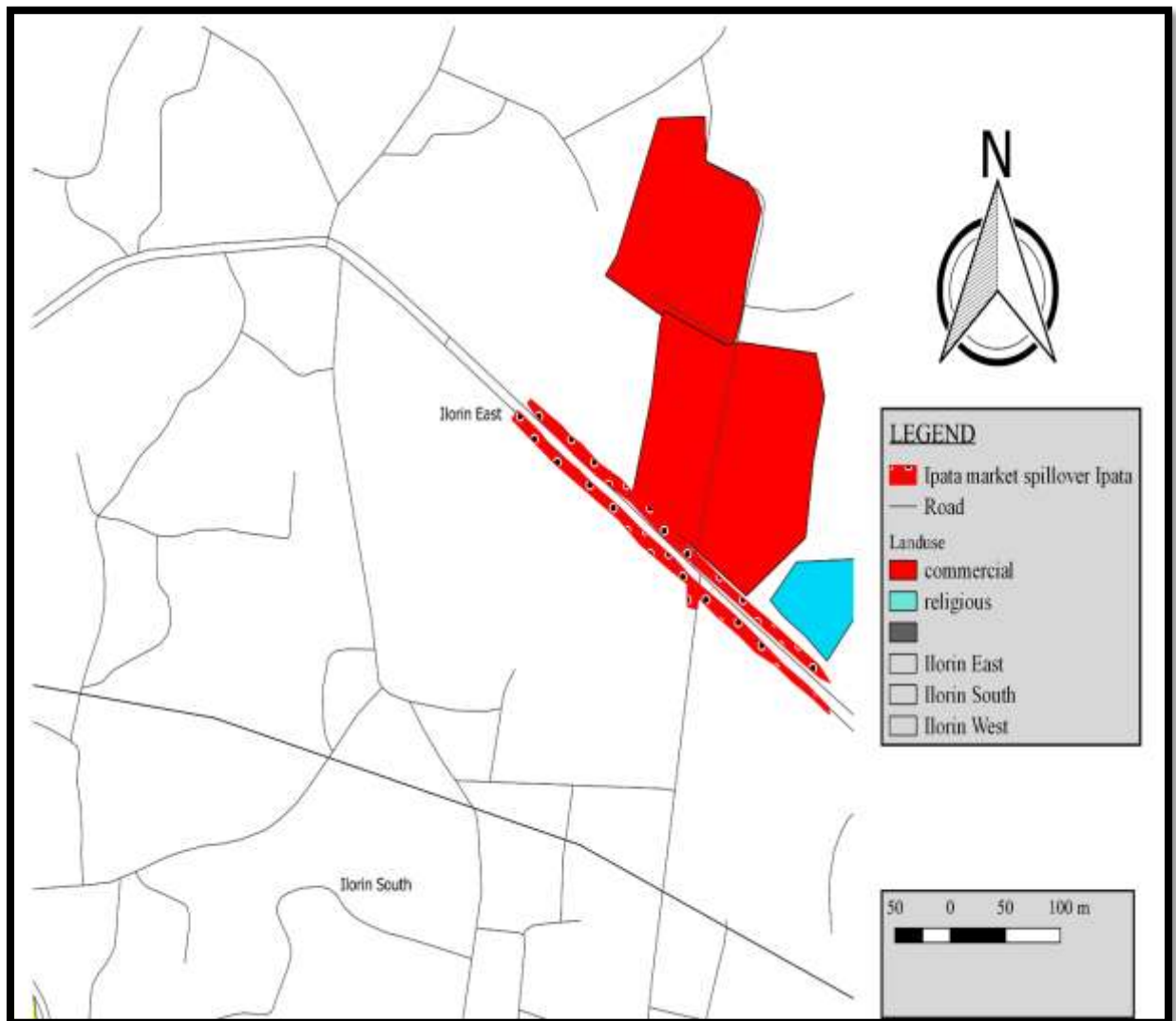


Figure 4.5: Ipata market spillover

Source: Field Survey, 2019.

Fig 4.5 shows the spillover of informal economic activities from the market, to public roads and streets, which will be better portrayed in Plate 3. Highest ranking determinants in this location could be due to the fact that the location is known for sale of foodstuff, livestock, fruits etc. There is also the feature of cheap rent for space for informal economic activities.

4.4.4 Post Office Informal Economic Activities

Operators in Post office deal mostly in sale of clothes (new and second hand), jewelries, cosmetics, printing and photocopy, passports. Post office, had the highest ranking of location being a business district.

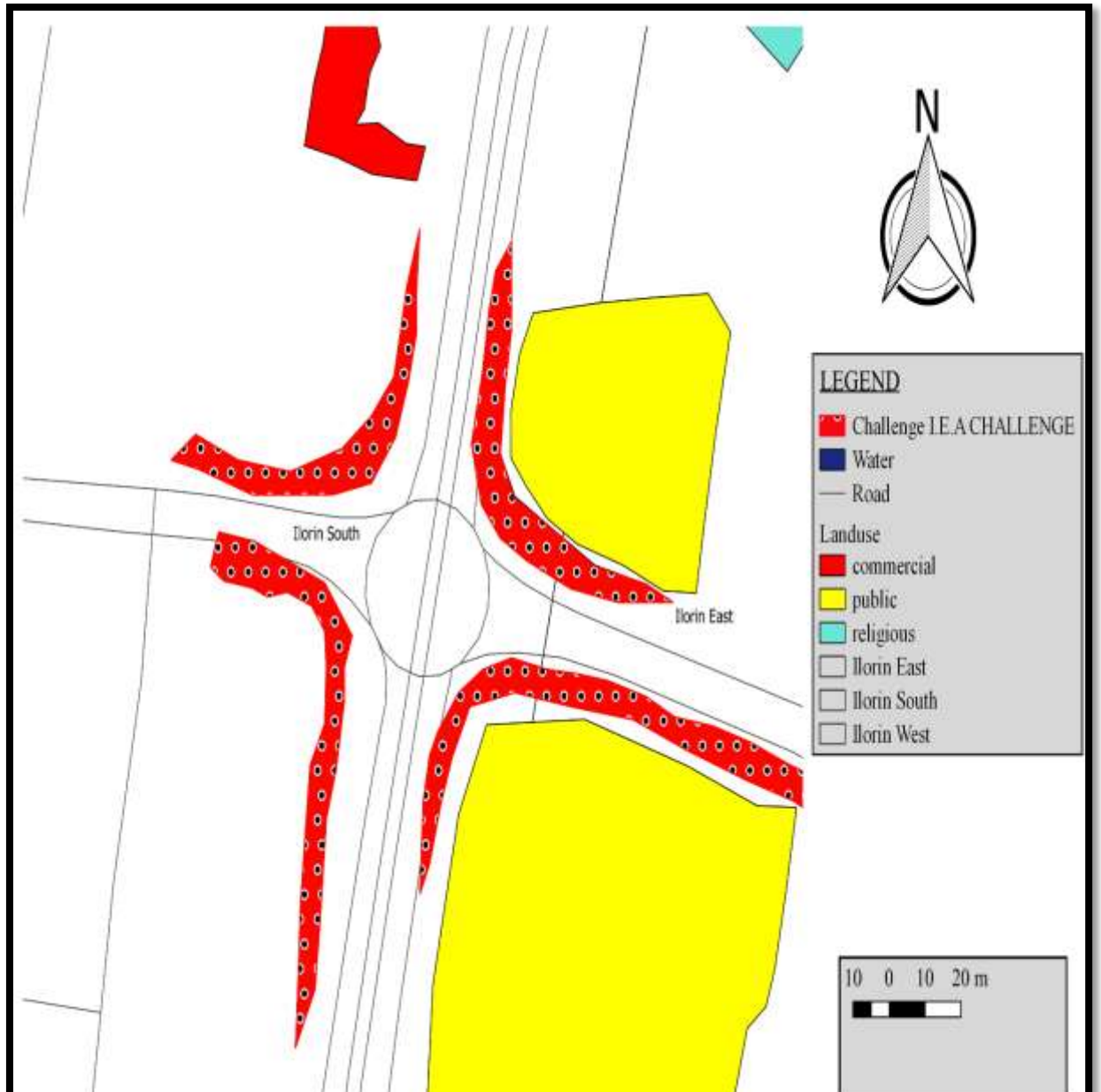


Fig 4.6: Informal economic activities at Post office Area

Source: Field Survey, 2019

Fig 4.6 shows the informal economic activities on the streets of Post office on all sides of the roundabout, the highest ranking determinant of location being a business district can be easily attributed to the crowd the location pulls in from day to day, as it is arguably the center of Ilorin urban area leading to 4 major locations within the

urban area; Ibrahim Taiwo road, Challenge road, Murtala road. As such operators choose to locate their businesses there with the belief that individuals passing would patronize their goods, the agglomeration of these businesses has over time made the location a place of business, and this has in turn pulled informal economic activities operators to the location turning it into a business district.

4.4.5 Challenge Informal Economic Activities

Operators in Challenge deal mostly in sale of phones and phone accessories, phone and laptop repairs, clothes, foot wears, books and stationaries etc. The highest ranking determinant of choice of location for informal economic activities in Challenge, were found to be business district, and location known for sale of particular goods simultaneously.

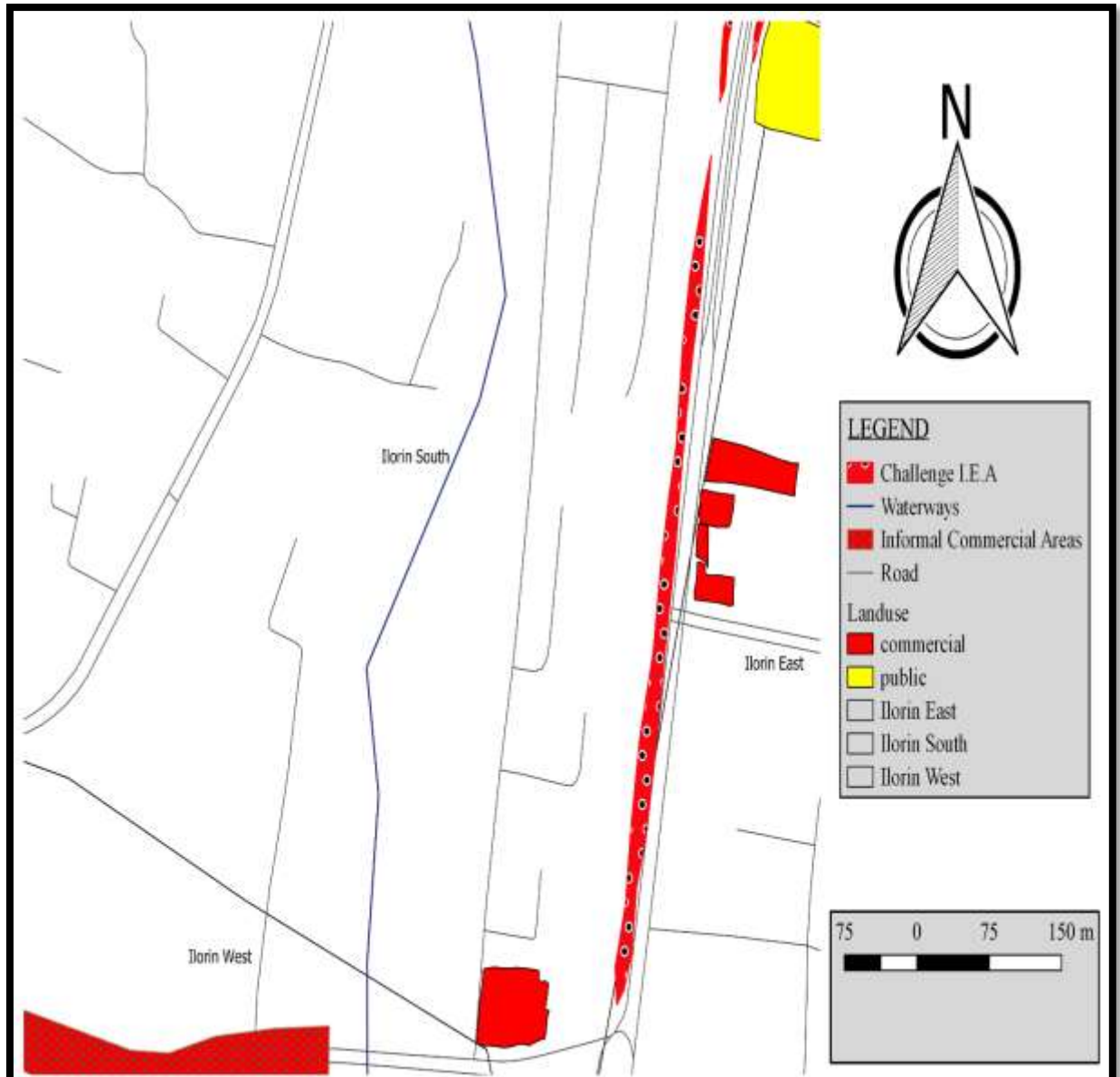


Figure: 4.7 Informal economic activities in Challenge

Source: Field Survey, 2019.

As shown in Figure 4.7, the determinants found can be ascribed to the fact that challenge is a centre for business and is often the first location to be thought of in terms of sale and repairs of phones, laptops, electricals and clothes, and as such pull operators who are interested in this line of business to challenge as a location for their

business. Challenge is also located close to major Central Business District (CBD) of Ilorin, i.e. Ibrahim Taiwo road and Unity, due to the natural process of a CBD to expand, Challenge was birthed.

4.5 Ranking of Determinants of Choice of Location

The determinants of choice of location for informal economic activities deduced from responses of informal economic activities operators will be presented according to the most expressed determinant by the operators. The determinants were ranked in the following order from highest to lowest in Table 4.10 below:

Table 4.10 Ranking of determinants of choice of location for informal economic activities

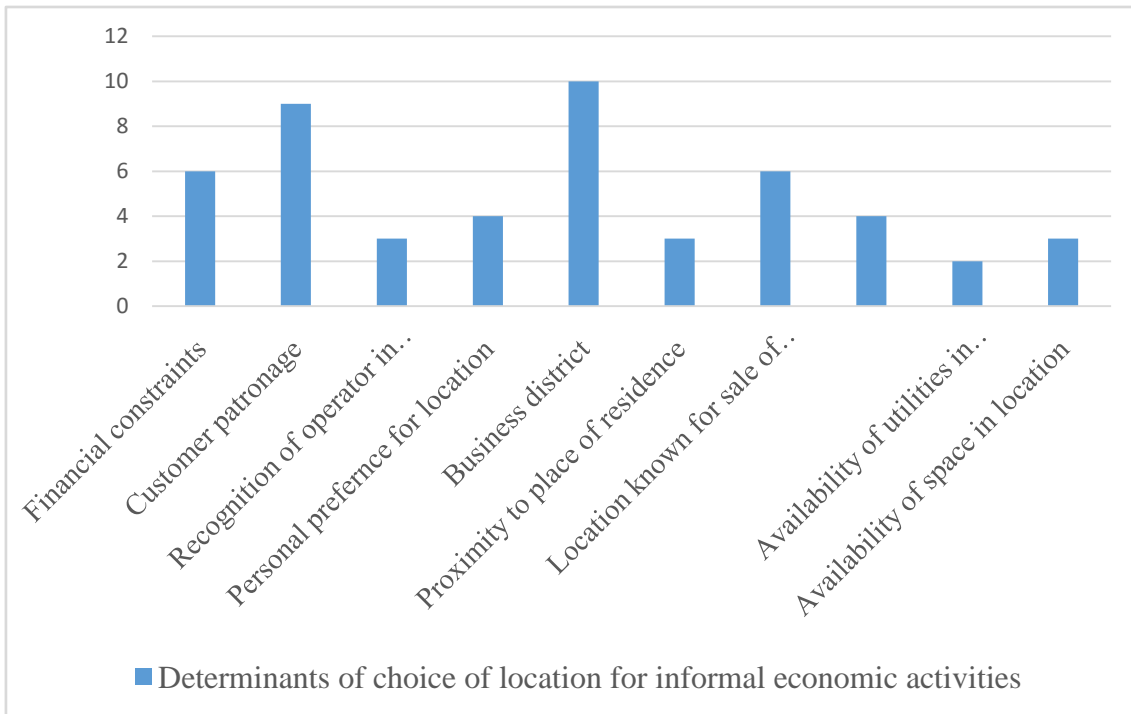
S/ no	Determinants of choice of location	Number of respondent	Percentage of respondents (%)	Position
1.	Location is a business district	10	20	1 st
2.	Customer patronage	9	18	2 nd
3.	Financial constraints	6	12	3 rd
4.	Location known for sale of particular goods	6	12	3 rd
5.	Personal preference for location	4	8	4 th
6.	Roadside, where people can see goods	4	8	4 th
7.	Proximity to place of residence	3	6	5 th
8.	Availability of space in location	3	6	5 th
9.	Recognition of operator in the location	3	6	5 th
10.	Availability of utilities in location	2	4	6 th
Total:		50	100	

Source: Field Survey, 2019.

Table 4.10 shows that financial constraints ranked same level as location known for sale of particular goods, personal preference for location ranked same level as

roadside where people can see goods. Recognition of operator in location, also ranked same as availability of utilities in location. See Figure 4.8 below:

Fig 4.8 Ranking of determinants of choice of location for informal economic activities



Source: Field survey, 2019.

Figure 4.8 above shows the determinants of choice of location for informal economic activities, the ranking of determinants based on the responses from the oral interviews conducted with informal economic activities operators. These ranking was attained based on the frequency of response of each determinant expressed by the informal economic activities operators.

4.6 Implications of choice of location for informal economic activities on urban planning and management in Ilorin urban area

The implications of the inappropriate location for informal economic activities on urban planning and management were discovered through observations during several visits to the sampled clusters. A visit was made to the Kwara State Town Planning Development Authority (KWTPDA), where oral interview was conducted with town planning official to gain further insight from the institution.

4.6.1 Implications to Urban Planning and Management in sampled clusters



Plate I: Informal economic activities in Oja Oba.

Source: google images

The aesthetic value of a city plays a vital role in its attractiveness and ability to draw people to the city. Plate I shows informal economic activities in Oja Oba, in inappropriate locations causing negative aesthetics to the city, these businesses lined

on the side of the roads under umbrellas bring a contrast to the monumental central mosque of Ilorin.



Plate II: Informal economic activities in OjaTutun.

Source: Author, 2019.

Waste generated by informal economic activities operators during the course of their trading activities include liquid and solid waste depending on the type of informal economic activities engaged by operators. Operators dispose them in open space just beside their space for business, some operators burn these waste, and others on the other hand dispose waste in the gutters thereby clogging them and causing health and environmental risks. Plate II shows informal economic activities in OjaTutun, operators selling foodstuff, provisions, and vegetables etc., and waste generated and disposed inappropriately by informal economic activities operators.

Interview with Kwara Town Planning Development Agency (KWTPDA), it was concluded that informal economic activities operators contribute to the already existing waste disposal issues. On this note, the official reported:

“We also have linear settlements along the road, which constitute to the already existing issue of waste disposal and management, these sellers often dispose of their waste and refuse along the roadside, even the buyers too. Besides the sore sight there is also the health issues associated with the particular problem.”



Plate III: Informal economic activities in Ipata.

Source: Author, 2019.

Informal economic activities operators in their quest for space acquisition for their trading activities make changes to buildings, causing modifications either through demolishing or erecting, making openings to accommodate their activities. Alterations made to these buildings, may exceed the carriage capacity of these buildings and

informal economic operators do not take this into consideration. Plate III shows informal economic activities operators engaging in sale of provisions and foodstuff make changes to buildings to create space for their informal economic activities, these activities are still seen to be infringing the streets.



Plate IV: Informal economic activities in Post office.

Source: google images

Walkways/ raised passage ways play important roles in movement of pedestrians, providing a safe path for their movement away from the dynamic movement of motorists. Informal economic activities are seen to have occupied these walkways thereby disrupting the movement of pedestrians on walkways built for them. Plate IV

shows informal economic activities in Post office, on walkways under umbrellas selling bags, clothes, wristwatches, cosmetics etc. these activities take place on walkways originally installed for movement of pedestrians.



Plate V: Informal economic activities in Challenge

Source: Author, 2019.

Informal economic activities operators in their quest for spaces for their business infringe upon public roads, which results in reduction of spaces available for movement of vehicles, people and goods and services. Bus stops, roundabouts and

spaces designed for parking vehicles are occupied with informal economic activities. Plate V shows informal trading activities in Challenge, informal economic activities operators selling clothes, foot wears, phone accessories, tooth paste and toothbrushes, these goods are displayed on the walkways and roadside under umbrellas, out of car boots, wheelbarrows.

4.6.2 Areas mostly constituting nuisance as a result of informal economic activities

During the oral interview with the planning official from Kwara State Town Planning and Development Authority (KWTPDA), the respondent was asked based on experience in town planning, the areas which constitute nuisance to Ilorin urban area as a result of the location of informal economic activities. Post office, Ojaoba, Ipata, and Taiwo (Taiwo oke to Taiwo isale) were listed as areas constituting nuisance as a result of informal economic activities in terms of traffic congestions. In the words of the respondent:

“Taking Post Office or Taiwo (Taiwo Isale to Taiwo Oke) for example, these activities constitute a great deal of traffic congestion usually between 8:00am-10:00am and 3:30pm-5:00pm in the evening, because then you find there are more cars and more people trying to get to their destination. And these sellers have set their goods for buying and selling on the roadside meant for transportation.”

“Gambari, Challenge, Pakata; in terms of packing spaces, these areas are so congested that residents cannot enter their compounds with their cars.”

He also added that:

“The interior of Ilorin have no traces of planning, there is infrastructure decay, there is

need for remodeling, there's also lack of public facilities and recreational facilities,”

4.6.3 Steps taken to address inappropriate locations of informal economic activities

On this note, the official reported that:

“On the onset, Ilorin urban area, did not have a master plan but grew organically, even with this, post office and maraba was not set for commercial purposes as it is today, it was rather set for residential purposes. But due to emergencies, these areas grew as commercial areas”

Respondent also added:

”Officials often go into town to chase away these sellers from the roads. But this only works for a period of time, as they often come back after the officials have left. There is also the issue of lack of government policy; there is no government support due to the traditional practices in Ilorin; for instance, planning officials give a notice of 7 days for removal or demolition of a property erected without permission, before the end of the 7 days the individual or group of persons may meet someone higher in the hierarchy to have the process stopped.”

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATION

5.1 Introduction

This section focuses on the major findings of the study on the assessment of determinants of choice of location for informal economic activities in Ilorin urban area as well as suggested recommendations to aid curbing or eradicating the problems posed by inappropriate locations of informal economic activities in urban areas.

5.2 Summary of Findings

The study aimed at assessing the determinants of choice of location for informal economic activities in Ilorin urban area, the findings are generalized to Ilorin urban area, as the five locations chosen were selected with this aim. Based on the data obtained from oral interviews carried out with informal economic activities operators, it was discovered that majority of the informal economic activities carried out in Ilorin urban area falls under retailing; constituting the buying and selling of various types of goods and services. Spaces are acquired through caretakers/agents/landlords, shop owners by using space in front of their shops, some operators on the other hand just bring their goods for business without receiving space from any of the above methods. Established from the findings of the study, the major determinant of choice of location for informal economic activities from the operators view was found to be Preference for business district. Interestingly, ranking of these determinants from highest to lowest were found to differ in each cluster. In Oja Oba was customer patronage, recognition of operator in location, business district an location known for sale of particular goods. Ojatuntun was also found to be customer patronage and personal preference for location which is also a common market, Ikpata had a highest ranking

determinant of choice of location for informal economic activities as financial constraint, customer patronage, and location being known for the sale of particular goods. Highest ranking determinant in Post Office was the location being a business district. Conclusively, Challenge had the highest ranking determinant of choice of location for informal economic activities as location being a business district and location being known for the sale of particular goods.

Another major finding of this research is the disparities and irregularities in tax rates imposed on informal economic activities operators, where tax rates are not fixed but on the rise, there are also existing situations of operators using similar spaces in the same location who pay lower or higher tax than their fellow informal economic activities operators. Responses from the oral interviews revealed that environmental and government officials often come to chase informal economic operators from the road side, sellers in turn cover their goods and run away, those who are unable to cover their goods, end up having their goods taken away by the officials.

From observation, majority of the operators of informal economic activities are females, the males often engage in commercial transportation business, males who engage in everyday buying and selling are mostly non-indigenes of Ilorin.

5.3 Conclusion

The determinants of choice of location for informal economic activities in Ilorin urban were assessed with a view to aid in formulating planning policies which are inclusive in nature taking into consideration the welfare of informal economic operators and curb the challenges posed by inappropriate locations of informal economic activities. The impact of the informal economy to livelihoods of individuals and economic development cannot be overemphasized, the study takes this into consideration

alongside the challenges the inappropriate locations of these informal economic activities causes to land utilization and management, invasion of public spaces, spatial disharmony, congestion, and sprawl to mention a few.

The inappropriate locations of informal economic activities are often seen as eye sores and cause conflicts between urban authorities in their quests to manage the cities and informal economic activities operators who desire space for their businesses. The authorities force out operators from their business spaces at the roadside, but from observation this is a temporary solution, as informal economic activities operators often return to same location after a few days, constituting more problems for urban authorities.

The determinants of choice of location for informal economic activities were found to be Lack of access to capital, customer patronage, long standing business in the area, recognition of entrepreneur in the location, personal preference for location, preference for business district, proximity to place of residence, location known for sale of particular goods, proximity to transportation routes, availability of utilities and availability of space, these determinants although drawn from responses of operators in the sampled area can be used as a general understanding of the determinants of choice of location for informal economic activities operators in Ilorin urban area.

5.4 Recommendations

The following recommendations were made based on the findings of the study:

1. Due to the growing demand for space for informal economic activities, there is need for urban renewal which could translate to infrastructural development taking into consideration spaces for informal economic activities, which could

translate to healthy environment and additional revenue.

2. Provision of subsidized shop space for informal economic activities operators by the Government, where operators who cannot afford the rent rate or selling price are given the option to pay in installments, this will in turn urge operators whose reason for locating their businesses at inappropriate location is lack of funds to move to a planned location.
3. Critical study of movement pattern/busiest hours to ascertain periods of lesser movement where operators can be given a window of time to operate. At such periods the negative impact of informal economic activities are lesser on movement of pedestrians, motorists, goods etc.
4. Empowerment of operators through short and medium term loans should be made accessible to informal economic activities operators through micro finance banks in order to aid in the financial constraints faced by informal economic activities operators which pushes them to locate their businesses in public spaces.
5. There should be creation of awareness to informal economic activities operators on the impact of the inappropriate location of their businesses to the goal of a more livable city by affecting waste management, traffic congestion, disruption in movement, and the city as a whole.
6. Lower levels of government should be included in generating policies that ensure efficient regulation of inappropriate locations of informal economic activities, as they have better knowledge of the spatial nature of the informal economy.

5.5 Contribution to Knowledge

The study contributes to knowledge both theoretically and practically on the concept of informal economy, its management and inclusion of the sector into urban planning and management. The contribution of this research includes the following:

1. The principal contribution of this research to knowledge is its recommendation based on the determinants of choice of location for informal economic activities. These recommendations are inclusive in nature taking into consideration the welfare of informal economic activities operators as part of the city, and also curbing the challenges posed their inappropriate locations.
2. This research provided an in-depth review of relevant literature relating to the informal economy as an urban phenomenon, its emergence, old and new views of the economy, schools of thought on the informal economy, implications of the informal economy to urban management amongst others.
3. In addition, this research gave an insight to the major characteristics of informal economic activities in Ilorin urban area, covering the major types of goods sold and services rendered. These activities fall under the retailing, services and production subsectors of the informal economy. Time of operation was discovered to range between 10-14 hours daily. The research also portrayed location pattern, depicting areas dominated by certain types of informal economic activities in the study area.
4. Methodological contributions were revealed through the use of interviews as a major instrument of data collection in understanding the determinants of choice of location for informal economic activities, to enable respondents freely express themselves without their responses being influenced by options.

5. The study contributed to the already existing factors that influence the locations of economic activities in the literature, the determinants found in the study are in line with literature reviewed.

5.6 Further research

Although this research is a milestone relating to choice of location for informal economic activities and its inclusiveness to urban planning and management in Ilorin urban area, and by extension urban areas as a whole. There is call for suggested further research on the following areas:

1. Appraisal of implemented government policies in relation to the development of the informal economy.
2. Establishment of agencies focusing solely on the growth and management of informal economic activities within the urban area.
3. Exploration on city competitiveness through the informal economy i.e. how cities can be made more competitive by harnessing the potential of the informal economy.
4. A bridge between the formal and the informal economy

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APPENDIX

**DEPARTMENT OF URBAN AND REGIONAL PLANNING,
FACULTY OF ENVIRONMENTAL DESIGN,
AHMADU BELLO UNIVERSITY, ZARIA**

Dear Respondent,

This survey is part of an M.sc thesis titled **AN ASSESSMENT OF THE DETERMINANTS OF CHOICE OF LOCATION FOR INFORMAL ECONOMIC ACTIVITIES IN ILORIN URBAN AREA**. This thesis is purely academic in nature, all information provided will be treated as anonymous and remain highly confidential. Thank you for your anticipated cooperation.

Aisha Othman

SECTION A:

Interview questions for informal economic activities operators in Ilorin Urban Area

1. What kind of informal economic business do you engage in?
2. Why did you choose this location for your business?
3. Was this your first choice of location?
4. If no, why couldn't you secure your preferred location?
5. What process(es) did you undergo to acquire this space?
6. Do you pay rent to anyone for this space?

7. If yes, how much do you pay?
8. Are you charged any levies or taxes by the government (state or local)
9. Are you satisfied with this location?
10. If you are given another location for your business, will you likely relocate?
11. If yes, which location will you prefer?

SECTION B:

Interview questions for Urban Planning Authorities

1. What are the implications of locational choice for informal economic activities on urban planning and management in Ilorin Urban Area?
2. What steps have you taken to address the inappropriate locations of informal economic activities?
3. Based on your experience in town planning what areas mostly constitute nuisance to the city as a result of informal economic activities?
4. Is it possible to meet the demand for space for informal economic activities?