

# **Intra-urban Differentials in Poverty and Livelihoods in Selected Residential Neighbourhoods of Lagos Metropolis**

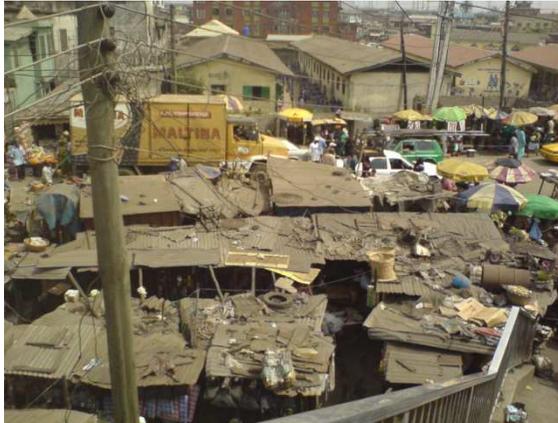
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- **Over 70% of urban employment in Nigeria is in the Informal economy**
- **The home provides the ultimate environment for trading off resources between domestic and productive activities; hence the prevalence of Home Based Enterprises (HBE)**



## Lagos Metropolis, Nigeria



- **Population: 14.6million**
- **Probably the biggest continuous footprint of urban poverty on earth with 51% of men and 54% of women residents surviving on less than US\$1 daily. UNDP (2008)**
- **Between 50% and 75% of residents are employed in the informal sector (LASG, 2004)**
- **Subsistence Informal Enterprises, rather than Growth enterprises thrive**



HBE Operators are unable to separate economic life from such other aspects of social life as culture, religion, kinship and lineage



# Methods

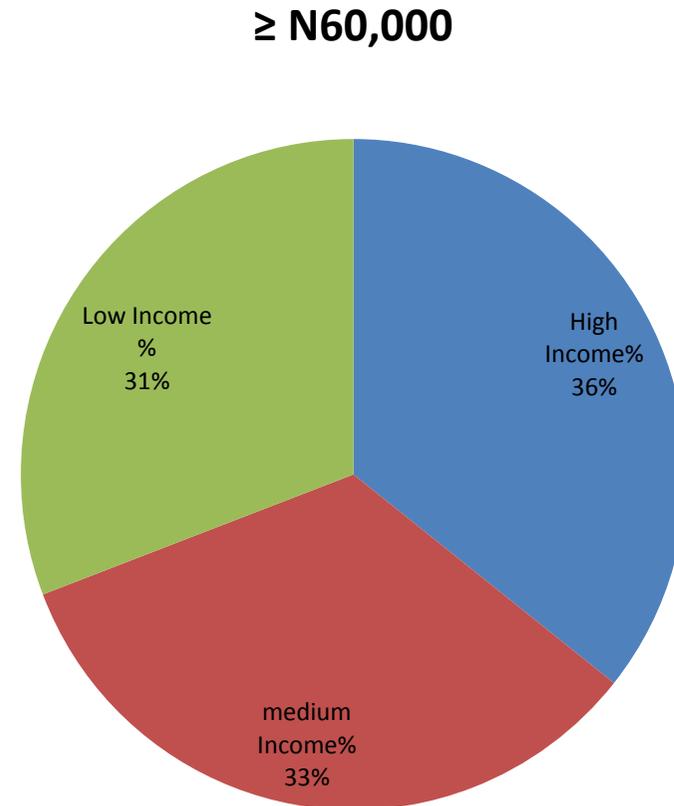
- The population was stratified on the basis of residential neighbourhood density into low, medium and high density residential areas. Administration of questionnaires within each of these subsets was by simple random sampling.
- Questionnaires were administered to obtain data on components of poverty and livelihood. Questionnaires were structured to collate information on economic conditions and quality of life; socio-economic and socio-cultural peculiarities, environment and housing conditions.
- 712 HBE operators were sampled in 5 low density neighbourhoods; 18 medium density neighbourhoods and 31 high density residential neighbourhoods respectively. Data analysis encompassed univariate analysis using descr

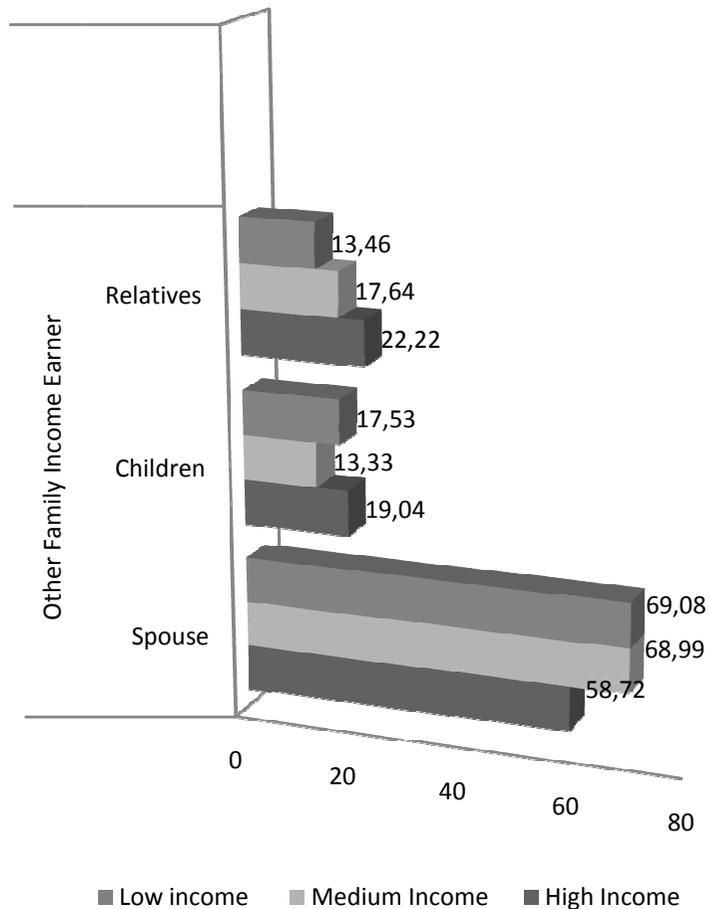
# Household Characteristics

- 51.8 % male and 48.2 % female.
- 82.5% of respondents are within the working ages of 16 to 45 years,
- 74.6% of population is relatively literate based on UNESCO standards, with about 74.6 % having a minimum of
- Average household size is 4-6
- 60% migrant populations who have lived in their neighbourhoods for more than 10years
- A characterization of lower education and higher household size per age group is prevalent among the high density respondents and the trend reduces in frequency with the medium density and lower density respondents.

## INCOME AND ASSET OWNERSHIP

- 29.7% of respondents earn between ₦7,500 - ₦15,000 monthly from HBE
- Multiple income earners are prevalent in the household. Spouses (67.9%), children (16.66%) and other relatives (15.68%)
- 45% rely solely on their home enterprises
- Respondents are involved in multiple streams of income with 18.76% also having jobs in formal employment.

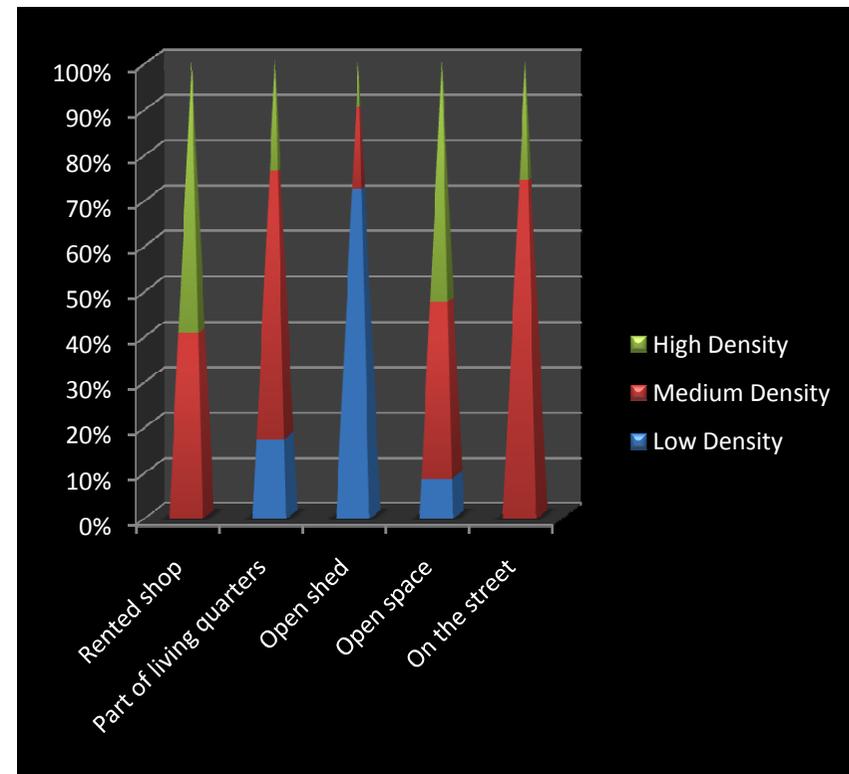




- **81% wholly engaged in the informal economy.**
- **55% trade; 38% services; manufacturing 7%.**
- **70% of the businesses are sole proprietorships.**
- **80% of the respondents run kinship based enterprises**
- **43% have paid employees or apprentices.**
- **Average staff strength is 2.**

- More than 50% of the businesses have no form of registration. 26% have local government trade permit.
- 65% businesses located in rented shops . 10% use part of their living quarters for business. 28% located outdoors.
- 27% in the low density area, 25% in the medium density area and 14% in the high density area operate on street

Business Location



# Typical Home Based Enterprises





- Sources of funding for business are multiple with the predominant ones being savings, thrift and cooperative loan.
- The reliance on bank loan occurs for less than 1 % of respondents and this may be attributed to the fact that most HBEs lack legal status and so are unable to access credit from the formal financial sector.

# Spatial Pattern of HBEs

- $H_0$  : Home Based Enterprises are not evenly distributed within the study area
- $H_1$ : Home Based Enterprises are evenly distributed within the study area
- With Rn value of 0.919, it means that there is no regular pattern to spatial distribution of home enterprises within the study area.
- Therefore reject the hypothesis and **accept the null hypothesis which states that the home based enterprises are not evenly distributed within the study area**





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# Policy Issues

- Enable the Informal Economy
- Encourage Collective Action for Informal Entrepreneurs
- Articulate the National Poverty Alleviation Policy and Restructure the National Poverty Eradication Programme

# Conclusion

- This study had discovered that home based enterprises, apart from having a positive effect on average household income also have a positive economic impact on the general welfare of the local neighbourhood.
- Few differentials exist in the nature of HBEs across residential densities. These are in the areas of registration, status of business and educational qualification.
- It is important that policies which assist the viability of HBEs, and accept them as a component in the quality of life in a neighborhood are implemented.