

Impact of road expansion projects on the informal sector in Akure, Ondo State, Nigeria

FIG WORKING WEEK 2013, ABUJA
THEME: *ENVIRONMENT FOR SUSTAINABILITY*

Mary AJAYI, Babajide OJO, Michael
OLUKOLAJO and Abiodun OYETUNJI
Nigeria

INTRODUCTION

- **Livability in cities** is enhanced by availability of social amenities including good road **planned open spaces**.
- An early step in the process of providing such facilities and infrastructure is the acquisition of appropriate land.
- There is need for **planning the urban land** in order to make provision for the informal sector in order to have a **sustainable environment**.

- Influx of people in search of employment usually takes its toll on the urban land:
 - **growth of squatter settlement.**
 - **illegal occupation of government land**
 - **erection of illegal structures on any open space in the city.**
- The informal economy contributes as much as 40% of Gross Domestic Product and employs up to 60% of the labour force in [developing countries](#).

- **The informal sector** consists of those activities characterized by:
 - ease of entry into the activity concerned, reliance on indigenous resources,
 - family ownership of enterprises,
 - small scale of operations,
 - labor intensive and adaptive technology,
 - skills acquired outside the formal school system and
 - unregulated and competitive markets (ILO, 1972).

IMPACT OF ROAD EXPANSION

Sustainability of an urban area has to do with the **ease of commuting** within the various axes and this depends on the **level of road network** within the city.

Opening up of new roads usually lead to:

- increased economic activities
- higher land values

Expanding an existing road always affect the informal sector workers especially traders who have located their business premise along the route.

- **Economic impacts of road expansion** include:
 - loss of businesses and customers,
 - induced need for capital investment, and
 - high opportunity cost losses

The barrier effect of widened or new roads

- increase **travel time** and **distances for short local trips**, especially affecting access by foot, bicycle, and other non-motorized transport.

THE STUDY AREA

- Akure is the administrative capital of both Akure-South LGA and Ondo State.
- The spatial distribution of the population(353,211) within the town is related to the level of economic development.

Ongoing road widening and beautification projects in Akure:

- increased the beauty of Akure,
- drastically reduced traffic congestion at the major roads,
- displaced a lot of workers in the informal sector who earned their livelihood at the city centre.
- Arakale road was chosen for its volume of commercial activities.

RESEARCH METHODOLOGY

- **Target population** is the informal sector workers especially owners of business premises along Arakale road, Akure.
- **The sampling frame** for this research is all the shops along Arakale road which numbers approximately 200 out of which 50% was used as the **sample size**.
- Sampling technique: **simple random sampling** to select the sample size of 100 traders.
- **Research instrument:**
- set of closed ended **questionnaires**
- **Participant observation**
- **Oral Interviews**

DISCUSSION OF RESULTS

- the type of business,
- type of business premise,
- number of years in business,
- number of years in present shop,
- monthly income (₦),
- effects of the road expansion and
- adequacy of compensation by government.

Type of Business

Response	Frequency	Percentage (%)
Trading in building materials	38	38.0
Trading in other goods	36	36.0
Artisan	12	12.0
Service provider	14	14.0
Total	100	100.0

Type of Business Premise

Response	Frequency	Percentage (%)
Lock-up shop	22	22.0
Shop in-built by owners of houses	30	30.0
Steel container	18	18.0
Temporary wooden shop	30	30.0
Total	100	100.0

Number of Years in Business

Response	Frequency	Percentage (%)
Less than 5years	30	30.0
6-10years	38	38.0
Above10years	32	32.0
Total	100	100.0

Monthly income (₦)

1₦ = US158 dollars

Response (₦)	Frequency	Percentage (%)
Below 10,000	66	66.0
10,000- 20,000	20	20.0
21,000-50,000	10	10.0
Above 50,000	4	4.0
Total	100	100.0

Effects of the Road Expansion

Response	Frequency	Percentage (%)
Difficulty in access to shop	24	24.0
Loss of customers	32	32.0
Reduction in profit made	38	38.0
Exposure to theft and environmental agents	06	6.0
Total	100	100.0

Compensation by the government

Response	Frequency	Percentage (%)
Very adequate	-	-
Adequate	2	2.0
Average	18	18.0
Inadequate	34	34.0
Very inadequate	46	46.0
Total	100	100.0

CONCLUSION

- This paper has revealed the impact of the expansion of Arakale road, a major commercial area in Akure, Nigeria on the informal sector.
- The loss of customers due to the demolition of business premises, accompanied by inaccessible roads to new make-shift shops had resulted into reduction in profit and meager income.
- compensation paid by government to the displaced trader was seen as inadequate compared to the loss and inconveniences incurred.

POLICY IMPLICATION

The study recommends:

- Provision of **accessible and affordable shopping complexes** for the traders
- **Speedy completion** of the road project to reduce the hindrance of customers in reaching the business area which affects the economy of the informal workers.
- Need to take into cognisance the **informal sector's space requirement while planning the city.**

THANK YOU FOR LISTENING