

Informal Sector's Income Distribution, Living Condition and Poverty Nexus in Lagos State, Nigeria

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Abstract

This study examined the informal sector in Lagos State. It focused on income level, standard of living and the link to poverty. In 2018, the United Nations tagged Nigeria as one of the countries with the highest number of poor people in the world. Poverty tends to ravage the Nigerian population of about 200 million people. Recent statistics from NBS statistics show that the rate of population growth in Lagos is on the increase. In comparison with the formal sector, average earning in the informal sector is becoming low relative to cost of living, resulting in living below average standard of living. Adequate attention is needed to reduce the incidence of poor living standard. The study employed descriptive method and collection of primary data with questionnaire and personal interview. With sample size of 200 workers/business owners in the informal sector selected at random from 5 local government areas, findings reveal that, although income is relatively high in Lagos informal sector, it is not enough to attain a high standard of living. In fact, it was found that the relatively high income is one of the reasons Lagos economy is more attractive to other Nigerians from other states of the federation. It is suggested that government should provide economic infrastructure to other states in Nigeria to reduce the influx into Lagos State. A rise in the federal fund allocation to the state is important to provide social amenities, improve living standard and reduce poverty incidence.

Keywords: Informal Sector, Low Income, Living Standard, Poverty, Lagos State

JEL Classification Codes: I31, P46, P47

Introduction

A major social issue associated with poverty is poor living standard. Another factor is low income. Thus, low income, poverty and poor standard of living are like vicious cycle. Other factors that may induce poverty in an economy are unemployment and inequality, but these depend on region, tradition, religion and political configuration. Explaining the concept of poverty and living standard requires painstaking analysis. This is because in a particular region of the world, like the Northern Hemisphere, poverty incidence might be totally different from the Southern Hemisphere. For instance, in the former, unlike the latter, poverty might not necessarily be accompanied by poor living standard and low income but might be associated with lack of core values of development which include self-esteem and freedom from servitude. In the Southern Hemisphere, especially in the Sub-Saharan Africa, economic deprivation and low income is often associated with extreme poverty.

In Nigeria, poverty appears to have assumed a dimension more disgusting than usual and this is yet to be considered thoroughly by previous authors. Aigbokhan (2000) examined poverty and inequality incidence in Nigeria as part of appraisal of the Structural Adjustment Programme (SAP) vis-à-vis economic growth. He discovered that macroeconomic framework failures and polarization of income, among others, are responsible for poverty which implicitly is also driven by the failure of growth "trickledown" phenomenon. In his later study, (Aigbokhan, 2008) he observed growth in the context of poverty and inequality and suggested growth should be pro-poor. He also cautioned against policy reversal and suggested provision of infrastructure to empower the poor. His work appears to be corroborated by McDougall's (2014) brief piece on poverty and living standard attributed to macro economy rather than historical issue. The author notes that poverty is being created daily, driven by asymmetric power dynamics between countries. As part of the author's suggestion to reduce poverty, world leaders should form development-friendly regimes for trade, taxation, science and technology transfers, investments and equality within and between nations. Ogwumike (2002) and Oshewolo (2010) gave a descriptive analysis of poverty in Nigeria. While Ogwumike discussed policy to alleviate poverty

and the need to find the best approach to measure poverty as a probable solution, Oshewolo addressed the case of galloping poverty caused by corruption and poor implementation of policies.

However, none of these authors examined adequately the seemingly prevailing income structure of an average Nigerians particularly in the urban informal sector and the linkage this might have on migration to a particular state. Again, the issue of quality of life and living standard are critical factors in poverty yet to be adequately explored. For instance, it is generally assumed that most urban informal sector employees and employers are either under employed, unemployed or engaged in business activities yielding unsustainable income. This has the potential to aggravate poverty. Yet, elsewhere, for instance, in several advanced countries and most developing countries, it appears unemployment does not necessarily lead to poverty, unlike the least developing countries like Nigeria and Kenya. Statistical evidence reveals that there are quite a good number of unemployed people in other parts of the world leaving comfortably above poverty line. If unemployment, particularly, in the rural areas or other states of the federation is propelling poverty and driving people into informal sector in Nigeria, it must be proved. The transmission channel must be critically examined.

This study focuses on Lagos State being the commercial hub of Nigeria. The state appears to be the first choice of destination of rural-urban migration based on the number of immigrants compared to other states. A majority of the immigrants work in the informal sector because only few opportunities are available in the formal sector. Relative to standard of living, to what extent can the average income and social life of the urban informal sector workers in Lagos State be substantial enough to keep them out of poverty? Therefore, the objective of the study is to examine poverty incidence in Lagos State among the informal sector workers with respect to average income earning and living standard. This is necessary particularly now that the United Nations in 2018 identified Nigeria as a nation with the highest number of poorest people on earth.

Descriptive method was employed to achieve the study's objective. This was complemented with primary data. The data was obtained through questionnaire and direct interview to secure direct information from the urban dwellers in the informal sector. The workers included all self-employed and the employees. In most countries in the low cadre of development like Nigeria, it might be clumsy to mention all the categories of informal sector workers. However, this work attempted to cover some that are peculiar to Lagos which appears to provide immediate job opportunities. These include Artisans, medium size traders, petty traders, hawkers and those with trade certification.

Some Conceptual Issues and Literature

In the 1990s development literature, economic growth took a new dimension by including poverty and inequality reduction as part of growth benefit. Studies suggest that countries that made noticeable progress on poverty reduction were those which recorded fast and high growth rates (World Bank, 2000; Dollar and Kraay 2000; Aigbokhan, 2008). It is generally agreed that income matters when discussing poverty reduction. For instance, low and economically unsustainable income alone is enough to aggravate poverty incidence. Moreover, in recent times, relatively low income in the urban informal sector has been a cause for concern. This is because there has been a widespread idea that urbanization is speeding up. The United Nations (2019) stated that at the end of year 2000, about half the world's population were living in urban area and about 60% in 2016. However, in 1975 this was only 28%. In 1970, developing countries level of urbanization was 25%. In 1994, it has increased to 37% and it is projected to be 57% in 2025. To make these worse, average population growth rate in the developing countries is 4%. This means that developing countries would add more to the world population by year 2050 and majority of this would live in the urban centres. Since rapid population growth is hardly counterbalanced by rapid production of utilities, the Malthusian theory (1798) had stated this may result in population being checked by negative events such as war, famine and diseases. Therefore, with high inclination to rural-urban migration in developing countries with no adequate provision for the needs of the migrants, it appears poverty would be on the increase, especially, in the urban centres.

In other words, one can summarize that poverty is a complex, multidimensional problem that cast long shadows over many areas of existence. No single indicator can capture all the aspects of poverty. It is a global phenomenon which affects continents, nations and people differently (Aluko, 2012). It affects people in various depth and levels at different times and phase of existence. The National Bureau of Statistics (NBS, 2014) defined poverty based on the availability of certain basic needs such as food, clothing, shelter, sanitation facilities, pipe-borne water, education, good healthcare and access to information. In other words, poverty is the condition that is said to exist when the people lack the means to satisfy all these basic needs.

Table 2.1: Seven Most Populous Countries' GDP Per Capita in Current US Dollar ('000)

Year	Nigeria	Brazil	China	India	Indonesia	Pakistan	USA
2000-2003	0.43	3.19	1.11	0.47	0.87	0.53	37.89
2004-2007	0.90	5.39	2.01	0.78	1.46	0.80	45.18
2008-2011	1.83	10.43	4.38	1.22	2.79	1.08	48.39
2012-2016	2.76	10.79	7.46	1.56	3.54	1.35	54.50

Source: WDI, 2016

Table 2.1 shows the per capita gross domestic product (GDP) of the most populous countries in the world with Nigeria being number seven after China, India, United States, Indonesia, Brazil and Pakistan. Since year 2000 to 2016, Nigeria is one of the three countries with the lowest GDP per capita. Others are India and Pakistan. As shown in the table, in the past 1 1/2 decades, Nigeria's per capita income appears to be slightly higher than India and Pakistan. In spite of this, it came as a surprise that the nation continues to have the highest number of poorest people in the world. In other words, with her level of per capita income relative to India and Pakistan, Nigeria ought not to have such a large number people facing extreme poverty.

Table 2.2: Selected Macroeconomic and Social Indicators

Indicator	2010	2011	2012	2013	2014	2015
GDP Per capita (US\$)	2,316.9	2,519.00	2,717.10	2,941.40	3,146.50	3,242
Real GDP Growth Rate	5.2	5.3	4.2	5.5	6.2	5.1
Inflation Rate	13.7	10.8	12.2	8.5	8	11.3
Population Growth Rate (%)	3.2	3.2	3.2	3.2	3.2	3.2
Unemployment Rate (%)	5.1	6	10.6	10	7.8	9.2
Incidence of Poverty (% of Population)	69	71.5	72	72	72	73

Source: CBN Annual Report, Various Issues

Table 2.2 shows a high and rising level of poverty incidence in Nigeria from 69% in 2010 to 73% in 2015. On the other hand, unemployment rate is growing faster than population growth rate. This suggests that a high population growth rate, at 3% per annum may positively related with unemployment. This is because population growth is not usually complemented by increase production or productivity (Malthusians, 1798). The table 2.2 shows Nigeria case where low real GDP growth rate remaining constant at 5% per annum for half a decade while population growth rate and inflation rate are relatively high.

Probable rise in poverty incidence, following urban centre population growth in a typical developing country like Nigeria, is illustrated in figure 2.1. As the urban population growth rate is growing at about 4.5% per annum for over a decade, rural population has been growing at a decreasing rate of 1.1%. As predicted by the United Nations, this gives a hint on the tendency for rapid growth in the urban centre population while the rural sector decreases gradually.

Figure 2.1: Rural/Urban Population Structure (Nigeria)

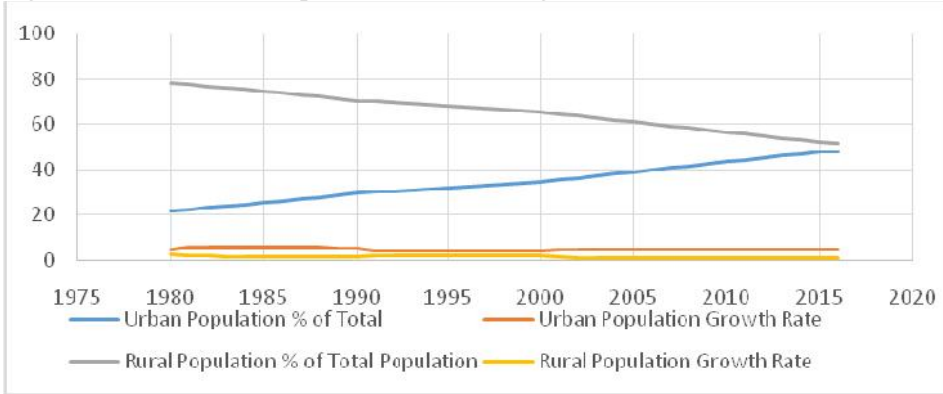


Figure 2.2: Rural/Urban Population Structure (China)

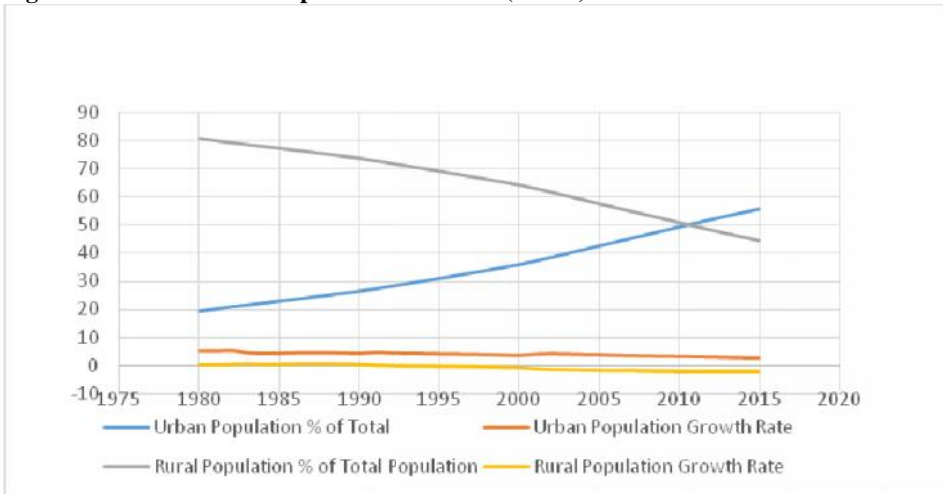
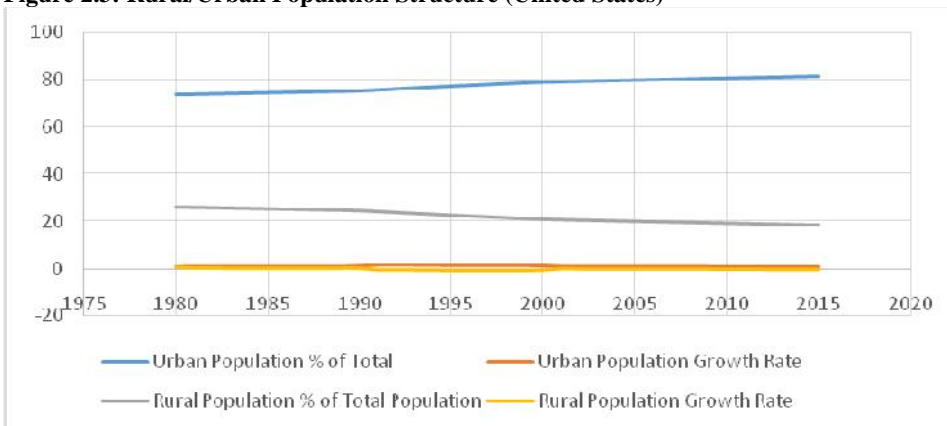


Figure 2.3: Rural/Urban Population Structure (United States)



Source: World Bank World Development Indicators

Figures 2.2 and 2.3 show that about 70% to 82% of the population in the advanced countries lives in urban centres. A typical example is the United States of America. For China, population structure illustrates a rise in urban population growth as against a fall in rural population growth. The three figures above reveal propensity to increase urban population growth. However, as employment opportunities and infrastructural provisions would unlikely increase proportionately to urban population growth rate, there might be negative consequences, like increase poverty, waiting in the future.

Literature Review

The issue of socio-economic life with respect to income distribution in Lagos State has been a subject of discussion since the 1970s when Nigeria, and particularly Lagos State, began to experience rapid population growth. In fact, the critical topics in the literature focus on urbanization and its consequences on infrastructure and social condition of the urban dwellers. Although Lagos is a critical point, only a handful of literature has examined Lagos and how the level of real income has contributed to socio-economic condition of the people. In a general statement made by Immerwahr (2007) about Nigerian capital city, before the 1991 movement of federal capital from Lagos to Abuja, the government faces a number of choices about how to manage its urban environment, particularly Lagos. However, he maintains that the abandonment of Lagos in favour of Abuja marks the failures of urban policymaking in Nigeria.

Most of the literature that centres on Lagos is about socio-economic life like crime rate, population growth and urbanization. For instance, Obono (2007) explains that “Lagos is associated with industrialization, modernization, and bright city lights - a place of boundless affluence and economic and political opportunities.” This might be a reason for influx of people into the city. In his descriptive study on Lagos metropolitan area, he notes that Lagos population has increased beyond resources and concludes that a comprehensive, multi-site approach will both stop rural-urban migration and reverse it by stimulating the early onset of return migration. Cathy-Austin and Matthew (2017) investigated the contribution of informal sector to Lagos development. Their descriptive analysis and research survey is based on street hawking. Their major findings indicate that street trading is one of the ways of providing employment and generating a source of livelihood for the unemployed in Lagos. They suggested that government should give financial support to the informal sector employees to enhance their livelihood.

Ebbe (1989), Sule (1990) and Lumumba (2016) studies on Lagos focus on socio-economic factors such as crime rate, population issue, crime and delinquency as well as urbanization. The content of these studies reveal that Lagos dwellers' living conditions, relative to means of survival, is falling. They reiterate the need for government's intervention. In Lumumba's (2016) examination of fragility and resilience of Lagos, in his primary data analysis, observation was made about worsening socio-economic life in Lagos. For instance, there is rapid dilapidated and insufficient infrastructure, external and internal shocks such as increasing population, rising sea level, economic shock, and change in government. He suggests there should be adaptive capacity, self-organization and transformability as part and parcel of a resilience-planning paradigm. He concludes that doing these would produce flexible solutions that would take into account spatial, socioeconomic, and environmental heterogeneity. Tittle (1987) and Ebbe (1989) refer to Shaw and McKay (1942). Their argument is that economic and environmental factors combine to produce the twin evils which include (1) Social life conducive to criminal behavior and (2) awkward social integration leading to ineffective social control as well as a large number of people with a strong motive to commit crime due to economic deprivation.

In addition to this, Ebbe (1989) observed that the police in Nigeria, particularly Lagos, do not routinely patrol the neighborhoods, but rather resort to a static law enforcement system in which they rely on reports by the victims to the police. The summary of results of these studies indicates a series of fundamental problems in the Lagos urban sector which include lack of public care, negligence, overpopulation and crime. They conclude that heterogeneity of Lagos dwellers, poor housing conditions and dearth of demographical records are among critical factors to address in Lagos formal and informal sectors.

Concerning income distribution, Anusionwu (1983), Adesinan, Ogunkola and Aromolaran (1996), Adesina (2000) are a handful of literature on income distribution and inequality. While Adesina et al. (1996) focuses on the labour market effect on wage rate, poverty and macroeconomic policy, Anusionwu (1983) focuses on the public sector income level. These studies are based on finding reasons for poverty and inequality and how they can be alleviated in Nigeria, particularly Lagos State. They used descriptive analysis technique and concluded that income level is relatively low in Nigeria and that government should provide life sustaining wage for an average worker to reduce poverty and crime.

Adesina et al. (2000) examined the reason for income inequality and how it affects farmers in South West Nigeria using primary data. Their research work shows that farmers actually become poor for lack of bargaining power. They highlight gender bias as another issue and conclude that the income inequality is as much a function of class as it is of gender.

Other authors who also examine income issue and focus mainly on the informal sector include (Adisa, Ogunsuji and Oyekola, 2019). They argue that informal sector can contribute to national income through taxation and if tax is made simple and flexible. Conversely, the informal sector employees and business owners would evade tax if it involves complicated documentations. They suggest that incentives should be given to tax payers in the informal sector for voluntary disclosure of tax liabilities. From the literature, it appears most studies did not focus mainly on income distribution or earning. Rather, they tend to analyze poverty and other institutional factors. The link between income and socioeconomic life relative to living standard and poverty state in the informal sector appears to have been left without being discussed. Therefore, for the informal sector in Lagos State, this study digress a little to examine factors relating to quality of life and standard of living which can be obtained by asking questions about income earning and personal opinion about living conditions and future aspirations.

The Informal Sector

The informal sector aspect of an economy is very crucial in developmental process. In the advanced countries, while the sector constitutes about 8.0% of economic activities, it is over 50% in developing countries. In a least developing country like Nigeria, the percentage is greater (Mordi, Englama and Adebusuyi, 2010). It is generally believed that as a country drives fast to development, informal sector's activities tend to give way to formal and organized activities. Conversely, the role of informal activities in the economy increases during economic downturns and periods of economic adjustments and transitions (Mordi et al., 2010). By brief definition, informal economy commonly refers to all economic activities which are currently unregistered and operate outside official regulatory domain. They are production and distribution of goods and services that are not recorded in a country's system of national accounting (SNA) or the GDP. In developing countries, the sector represents an integral part of national economy for production, employment and income generation.

In Nigeria, informal sector employment is a necessary survival strategy where unemployment benefit is not available and wages and pension are inadequate to meet living standard. Measuring the size of the market poses a great challenge because the sector's activities are not recorded. Largely unrecorded informal sector activities include drug trafficking, human trafficking, money laundering, smuggling etc. These often generate large income for the operators and are often concealed for fear of the wrath of the law. In this study, however, the focus is on the informal economic activities that are legal and employ large number of the populace, even though the activities might not be recorded in the GDP. Moreover, the study focuses on Lagos State because it is Nigeria's commercial hub and seems to be the most populous state in Nigeria and the destination of many interstate migrants.

Common Characteristics of Informal Sector

Following the International Labour Organization (ILO) and Obadan et al., (1996), major characteristics of the informal sector are highlighted below:

- Easy entry into and exit from the economic activities
- Small scale of operations and relatively small capita base
- Reliance on indigenous resources, finance and materials
- It is mainly family owned enterprises
- Most of the activities are performed under extremely poor working conditions
- Most of the informal firms are characterized by extremely low life expectancy
- Labour intensive, depending mainly on family labour, and adopted low technology
- Low receipt of income
- Skills to operate the business are acquired outside the formal system of education and training or mostly through apprenticeship scheme
- Existence of unregulated and uncompetitive markets
- Operate with or without government regulations such as simple licenses, permits, registered business names and registered premises
- They are mostly not covered under the boundaries of government laws and regulations governing businesses in general.

Lagos and Poverty Incidence

Lagos appears to be the first choice of destination of rural-urban migrants in Nigeria probably for economic reasons. But the trend had started in the oil boom era of 1970s which later degenerated into Dutch Disease in the late 1970s. Perhaps, the worst consequence of crude oil prices fall was the downward movement of the trade cycle the 1980s. As a result of all these, rural dwellers who abandoned peasantry or blue-collar jobs for the urban white-collar job were implicitly trapped in the major cities and were underemployed. The obvious fact, however, is that rural-urban migration is a common social issue in the world today. In Nigeria, the case of Lagos State seems peculiar considering the land area inhabited by about 25 million people, three times larger than its carrying capacity (Lagos State Government, 2017).

It is generally believed that Lagos has become the first choice of migrants for economic and security reasons. In the past three decades, the interstate movement to Lagos State appears to have been on the increase, even more than every other state capital and major cities in Nigeria. In spite of its relatively small size, Lagos State is predicted to receive more migrants, not only interstate migration, but also from the close-by neighboring countries like Benin and Togo. This, as predicted, would make the state one of the abysmally congested cities in the world within the next two decades.

The problem lies in what happens to the population when infrastructures and other critical basics of life are in short supply. Crowded cities are usually associated with low standard of living and social evils such as unemployment and crime which are implicit early signs of population explosion. This is usually further worsened by large income differentials as most migrants might end up in the informal sector often characterized by small-scale unorganized businesses and undefined wage contracts leading to low income. Statistically, this study follows one of the National Bureau of Statistics (NBS) three approaches of measuring poverty in Nigeria which include: (1) absolute poverty (inability to meet basic needs); (2) relative poverty (expenditures that are less than two-thirds of the poverty line, that is US\$2 a day) and (3) the dollar per day. The dollar per day has to do with personal income. It sets poverty at US\$2 a day or less and extreme poverty at US\$1.25. The objective of this study is to examine the average size distribution of income of the selected informal sector workers (both employers and employees) and how the income level have affected their standard of living. The respondents would be selected randomly from different locations in Lagos State.

Research Design and Sampling Technique

The research survey focuses on the informal sector in Lagos State. It is based on the self-employed workers, small business owners and petty traders. They are with no formal wages or salaries and have no regular income.

The population is also made up of those engaged in legal but unorganized business activities. These include shop owners, transporters, hawkers, artisans, road side labour, road side traders and mini kiosk among others. The activities of these businesses are often not recorded in the (SNA). Although, according to Lagos State Government, as at 2018, the entire population of Lagos State is about 24 million people. This has always been in conflict with federal government estimate of about 16 million. In fact, the National Bureau of Statistics (NBS, 2012), estimates of Lagos State population for 1991, 2006, 2008, 2009, 2010 and 2011 are 5,725,116; 9,715,943; 10,031,881; 10,358,095 and 10,694,912 respectively. The total latest population figures recorded by the NBS for each of the local government in 2012 are: Alimosho (1,548,531), Ifako-Ijaye (501,954), Ikorodu (619,516), Lagos Island (249,606) and Shomolu (473,593). If we assume average population growth rate of 3.0% for Nigeria, then, for year 2020 the population of each selected local government would have been: Alimosho: 2,020,482; Ifako-Ijaye: 654,936; Ikorodu: 808,328; Lagos Island: 325,679 and Shomolu: 617,931. Since there are 20 local governments in Lagos, samples of selected Local governments are drawn randomly and based on the perceived large number of population of informal sector workers.

The study sought to secure direct information from a typical individual in this sector from different locations in Lagos State. Although, as explained above, there are 20 formal local government areas in Lagos State, sample was drawn from 5 local governments which are Ikorodu, Alimosho, Ifako-Ijaye, Shomolu and Lagos Island Local Governments. Copies of the questionnaires were distributed randomly in places characterized by cluster of targeted respondents. The data for the analysis in this paper are from the 5 local government survey done between January and February, 2019 in Lagos State. A sample of 40 informal sector workers from each local government was drawn. In all, we drew a sample of 200 respondents.

Further information on the sampling and design are thought necessary, it is as follow. Areas cover by the research survey are tagged location A, B, C, D and E which include Ikorodu, Iyana-Ipaja, Abule-Egba, Shomolu and Lagos Island respectively. Details of the exact location covered in each centre are stated in the appendix. A random selection of surveyed centres was considered though the homogeneity of Lagos metropolis is recognized, following a pre-survey, observation revealing concentration of respondents in some obvious locations which include Iyana-Ipaja bust-stop, Eko Idumota, Bariga etc. The copies of the questionnaire were randomly distributed systematically among the respondents to obtain information concerning personal disposable income, socio-economic live conditions and the motive behind seeking greener pastures in Lagos. It is believed that with the information given, one can make sensible conclusion and recommendations.

In the survey result, Out of the 200 questionnaire distributed, 194 were returned. To obtain information about income earning, open interview was conducted simultaneously with the distribution of questionnaire. Summary of the interview concerning income survey is displayed in table 4.1.

Table 4.1 Summary of Income Structure of Informal Sector Enterprises in Lagos State

Average monthly income of an individual in informal sector in Lagos State	Below N10,000	N10,000 to N17,000	N18,000 to N20,000	N21,000 to N29,000	N30,000 to N49,000	N50,000 and above	Number of Respondents
	2%	9%	10%	19%	45%	15%	198

Table 4.1 shows that majority of the informal sector enterprise earn above the minimum wage or the United Nation's benchmark for absolute poverty (\$2 dollars a day or less) or extreme poverty (\$1.25 a day). This is because 79% of informal sector employees, employers and small business owners in Lagos State earn at least 39,000 naira per month. This relatively high income in might suggest the reasons for emigration into Lagos State. In fact, many respondents ascertained their current level of income in Lagos is much higher than what is obtainable in their respective states of origin across Nigeria.

From appendix (2), information obtained from the respondents reveal that 61% of Lagos informal sector workers actually migrated from other states of the country. About 63% of the respondents disagree that informal sector employees and business owners are of Lagos origin. A total of 73% agree that interstate migration is mainly for economic reasons and that majority (about 87%) come to Lagos for greater prosperity which they have slim chance of achieving in their states of origin. However, about 75% agree Lagos has not met their desired dreams. On the adequacy of current level of income, 83% disagreed that the current income level could either sustain a household or an individual, that is, it could barely meet basic standard of living. With this, one may infer that with the majority left out in poverty alleviation programme and earning relatively low income, poverty incidence and poor standard of living would persist. Furthermore, it appears there are diverse opinion concerning Lagos seemingly over-population. In the research survey, while some believe the population is moderately good, others think the city is over populated. In spite of this, majority believe there would be a continuous influx of people into Lagos State since the income level of the state is greater than other states in Nigeria.

Summary

This study examined income level and living condition in the informal sector in Lagos State, Nigeria. The United Nations has tagged Nigeria, a population of 200 million people, as the home of poorest people on earth. The research survey has been carried out to examine the income level and social economic conditions of Lagos informal sector workers. The State appears to be the destination of most migrants from neighboring states, a majority of who would end in the informal sector.

With a population of about 24 million in 2018, it appears too many people are living in Lagos of total land area of 999.6 km² with population density of 6,871/km². Adequate attention is required to address the living condition of informal sector workers. It looks like the state has the large number of interstate migrants employed (or self-employed) mainly in the informal sector. The sector's role in employment generation and poverty alleviation is widely acknowledged in nearly all economic school of thoughts because they are integral part of the engine of growth, especially in developing countries. Although, their activities might not be included in the SNA, they constitute important aspect of the economy providing employment and reducing poverty. Research findings show that more than 60% of the workers earn incomes that keep them above poverty line. They confirm average income in Lagos is significantly higher than other states of the federation, although it is barely enough to meet squarely the basic needs of life. That the income is higher might be the major reason for continuous influx of people into Lagos State. That there is hope of probable success around the corners might be reason for hope of a better future Lagos.

Conclusion

The research findings show that income level in Lagos is higher than other states of the federation. However, the individual income is unable to meet adequately the basic needs of life. This means that living condition may worsen and poverty rate may increase. Furthermore, as more people find their ways to the city for economic reasons, there would be population surge which the government would be unable to control. It is noted in the process of research survey, the state is congested with large number of people in extreme poverty as a result of high number of rate of unemployment. This might further heighten poverty and crime rate. Based on these findings, it is suggested that Lagos State government should give adequate attention to poverty alleviation programmes and income distribution strategies. Federal government should provide opportunities in other states of the federation to stop the influx of people into Lagos State. Nevertheless, Lagos State Government cannot do this without the Federal Government. Provision of infrastructure and state-wide security are essential to reassure migrants of brighter future within their localities other than Lagos State. Finally, federal allocation to Lagos State should be increased to alleviate poverty.

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Appendix

(1). Summary of the Research Survey Expressed in Percentage Rating

Average Monthly Income of an Individual

What is your net average monthly income?	Below N10,000	N10,000 to N17,0000	N18,000 to N20,000	N21,000 to N29,000	N30,000 to N49,000	N50,000 and above
	2%	9%	29%	36%	14%	10%

(2). Summary of Questionnaires Administered in the Research Survey

	STATEMENTS	SA (%)	A (%)	U (%)	D (%)	SD (%)	Total	TNR
1.	Most Informal Sector employees are Lagos indigene.	12	24	1	38	25	100	200
2.	Most Informal sector employees migrated into Lagos State from other states in Nigeria.	21	41	12	14	12	100	199
3.	Most people left their states of origin to seek greener pasture in Lagos State.	51	35	2	7	5	100	197
4.	Most people you know, like your friends and people in your locality, left their states of origin for Lagos for economic reasons.	25	48	1	15	11	100	198
5.	You think you have stayed long enough in Lagos to attain prosperity and improve your standard of living.	52	35	2	7	4	100	196
6	When you were leaving your state of origin for Lagos, you believed Lagos would bring you greater prosperity.	43	45	0	4	8	100	198
7.	Lagos has been able to meet your aspirations to some extent.	4	16	8	38	34	100	199
8.	Your present level of income is enough to sustain you alone	23	22	1	28	26	100	196

9	Your present level of income is enough to sustain you and your family.	6	11	0	44	39	100	197
10	Many poor people have benefited from at least one particular government poverty alleviation programme in Lagos State.	3	7	15	32	43	100	199
11	Lagos has attained the level of over-population.	12	28	8	32	20	100	198
12	Lagos can still accommodate more people.	24	27	3	20	26	100	199
13	More people will migrate to Lagos State for economic reasons.	21	29	4	18	28	100	199

Note: SA = Strongly Agree; A = Agree; U = Undecided; DA = Disagree; SD = Strongly Disagree. TNR = Total number of response to each question.

(3). Research Survey Area

Location A: Ikorodu	Location B: Iyana-Ipaja	Location C: Abule-Egba	Location D: Shomolu/Bariga	Location E: Lagos Island
Agric Bus-stop, Ikorodu Garage, Igbogbo, Bayeku	Iyana-Ipaja bus-stop, Shasha, Idumu, Gowon Estate.	Abule-Egba Bus-stop, Abattoir, Santos Avenue, Olayiwola Street	Pako bus-stop, Bariga market, Fola-Agoro, Chemist.	Obalende, Eko-Idumota, Marina, Apapa.

(4). Average Income of Respondents

Location A: Ikorodu	Location B: Iyana-Ipaja	Location C: Abule-Egba	Location D: Shomolu/Bariga	Location E: Lagos Island
N14,000	N18,000	N15,000	N21,000	N40,000

(5). GDP Per Capita in Current of US Dollar ('000)

Year	Nigeria	Brazil	China	India	Indonesia	Pakistan	USA
2000	0.38	3.74	0.96	0.44	0.78	0.53	36.45
2001	0.35	3.15	1.05	0.45	0.75	0.51	37.27
2002	0.46	2.82	1.15	0.47	0.90	0.50	38.17
2003	0.51	3.06	1.29	0.54	1.06	0.56	39.68
2004	0.65	3.62	1.51	0.62	1.15	0.65	41.92
2005	0.81	4.77	1.75	0.71	1.26	0.71	44.31
2006	1.02	5.86	2.10	0.79	1.59	0.87	46.44
2007	1.14	7.31	2.70	1.02	1.86	0.95	48.06
2008	1.38	8.79	3.47	0.99	2.16	1.04	48.40
2009	1.10	8.55	3.84	1.09	2.25	1.01	47.00
2010	2.33	11.22	4.56	1.35	3.11	1.04	48.37
2011	2.53	13.17	5.63	1.46	3.63	1.23	49.79
2012	2.76	12.29	6.34	1.45	3.69	1.26	51.45
2013	3.00	12.22	7.08	1.45	3.62	1.27	52.79
2014	3.22	12.03	7.68	1.57	3.49	1.32	54.60
2015	2.66	8.76	8.07	1.61	3.34	1.43	56.21
2016	2.18	8.65	8.12	1.71	3.57	1.47	57.47

Source: WDI, 2016

(6). Seven Most populous Countries in the World GDP Per Capita in Current of US Dollar ('000)

Year	Nigeria	Brazil	China	India	Indonesia	Pakistan	USA
2000-2003	0.4258	3.1913	1.112	0.47	0.873035	0.52699	37.89
2004-2007	0.9033	5.3917	2.014	0.78	1.462699	0.79637	45.18
2008-2011	1.8342	10.433	4.376	1.22	2.790683	1.07807	48.39
2012-2016	2.7614	10.788	7.458	1.56	3.541323	1.35001	54.50