

From Neglect to Recognition: Promoting the Informal sector for Sustainable Cities in Africa

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Resource Governance, the Informal Sector and Sustainable Cities in Africa: CONTEXT

“The campaign for sustainability in Africa will be won or lost in the cities”

- The discussion of resource governance in Africa tends to concentrate unduly on the extractive sector of oil, gas and solid minerals as main sources of revenue and growth.
- The dilemma of growth without development; jobless, non-inclusive growth; growing poverty and widening inequalities associated with the extractive industries; Need for human resource development, not only in formal sector employment, but even more in informal sector promotion and management.
- Compare African urban experience with the historical experience of Europe and North American: slower growth over the centuries; urban policies and institutions development apace; industrialization to provide jobs; slow rate of population growth; colonial resources to support urban expansion.
- By contrast, ‘instant cities’ in Africa, with peculiar characteristics and challenges:
 - Rapid growth 3x2x2; Limited formal sector jobs; large informal sector, - 60 to 70 per cent of urban work force, especially since the Structural Adjustment Programs of the 1980 and 90s

Example of Nigeria: National and Urban Profile

- Largest and potentially richest country in Africa: 180million; 7th largest oil exporting country in the world.
- 'Oil Paradox' and 'Resource Curse' – abundant wealth coexists with extreme poverty. Niger Delta crisis
- Low on the Human Development Index; and low on Transparency International rating.
- Many MDG targets remain unmet, the challenge of the new SDGs, especially 1, 3, 5, 8,11
- About 80 million Nigerians live in cities; 7 cities of over 1 million; 5000 towns and cities of between 20,000 and 500,000; Greater Lagos estimated to be 22million today, up from 1.5 million in mid 60s; projected to be 25million in 2020
- 50-70 per cent of urban population in the informal sector; high level of unemployment and lack of prospects, especially since SAP; frustration and disillusionment among youths.
- Some well serviced elite neighborhoods, but widespread poverty and appalling housing, living and working conditions.

Policy Questions and Dilemmas

- How do we plan and manage rapid urban growth in a way that promotes employment, income and shelter for the poor, and at the same time ensures a safe, healthy and socially acceptable environment.
- How do government officials and planners uphold the law, and ensure environmental health without disrupting the livelihood of the poor?
- Unfortunately, most African governments tend to see the urban poor, the slums, the informal sector as evidence of the failure of official policy, and therefore something to be removed through misguided policies of eviction and repression.
 - anti-urbanism, and misconceptions about ‘urban bias
 - “War Against Indiscipline”; “Operation Restore Order” and other misguided policies of eviction and repression. If informal sector thrives because of its informality, would formalization and over-regulation be counterproductive?
- What does urban sustainability mean for 60-70% in the informal sector?

Method

- Urban research is inherently interdisciplinary.
- The study draws from social science literature; based sources that explore historical and contemporary urban developments in Nigerian/African cities, the informal sector, and the changes in official attitudes and policies.
- Also draws from a wide range of other sources for global and comparative insights: especially the new Sustainable Development Goals
- UN conferences of the 1990s, etc, especially Rio, Copenhagen; Habitats 11 and 111 Agendas in Istanbul and Quito
- UN Agencies: - UN Habitat campaigns for Secure tenure, Good Governance;
Safe and inclusive Cities
- WHO – Healthy Cities Programme
 - ILO – Decent Work Agenda
- World Bank etc: Cities Alliance for Cities without slums.
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Results/Findings

- The aim is to identify the lessons that could help to promote a more positive view and policy regarding the urban poor and the informal sector
- Our evidence suggests that the informal sector is not about to disappear; rather the reverse; it is increasing in size and vitality, but needs support
- The informal sector is not just 'a chaotic jumble of unproductive activities', but a vital component of the indigenous private sector; a major source of entrepreneurship, income and shelter for the poor; instrument for poverty reduction, and for achieving the MDGs.
- The major handicaps to the informal sector include impeded access to land and housing security; infrastructure deficiencies; difficulty of access to small amounts of credit and other business and financial services.
- The path to urban peace and sustainability in Africa lies in building more inclusive and socially equitable cities

Implications for Policy and Practice

- There is a need to ensure that the campaign against urban poverty does not become a campaign against the urban poor.
- Reconsider the misconception that the informal sector is an anomalous or transitory phenomenon the demise of which should be speeded up by government policy; or that the sector does not need support because it is easy to enter and requires little capital..
- Need to change policies and attitudes from neglect and repression to recognition and support, and to promote complementary links with the formal sector
- **Informal Settlement:** - Review policies for planning and housing to facilitate access to land & service; make laws and codes more realistic, flexible and compatible with local conditions; rethink colonial legacy; Review Land Use Act
- **Informal Economy** - Address corruption, mis-governance and widening inequalities.
 - Promote employment, skills training & self-employment (NDE, etc) for youths.
 - De Soto: review laws and practices that discriminate against and frustrate the sector. through over-regulation
 - Promote access to credit and other financial and business services; encourage credit unions, social protection
 - Encourage informal sector operators to better organize and self-regulate themselves to engage constructively with government and other development agencies.



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KUMASI, GHANA - JAN 15, 2017: Unidentified Ghanaian people buy and sell goods at the Kumasi market. Ghana people suffer of poverty due to the bad economy.



