

Lagos: City research brief

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The African Cities Research Consortium (ACRC) is a collaborative research programme, seeking to tackle complex urban development challenges in the continent's rapidly changing cities. ACRC aims to generate robust insights and evidence that will help improve the living conditions and urban services for all city residents, especially disadvantaged communities.

ACRC's research integrates political settlements thinking with city systems analysis, to understand the dynamics underpinning infrastructure and service challenges in cities. Targeted analysis of specific urban development domains provides deeper insights into how sectoral shortcomings can be overcome and residents' needs addressed.

Lagos is one of 12 African cities in which ACRC is engaging community organisations, researchers, practitioners, key state actors and non-state agencies, to co-produce knowledge and evidence to advance urban transformation.

Research highlights

- > Lagos is Nigeria's industrial and commercial hub, and has a vision to be Africa's model megacity and financial hub.
- > Lagos is confronted with complex challenges of unprecedented population increase and unrestrained urban growth, alongside environmental vulnerabilities and everyday challenges of urban life. These cut across housing, safety and security, and livelihoods.
- > Due to infrastructure gaps, there are significant contestations between formal and informal systems, leading to influence over certain sectors by power blocs, limited institutional capacity and disjointed often exclusionary state interventions.
- > Community-based organisations across the city contribute to bridging identified infrastructure gaps, providing social safety mechanisms.

In conjunction with civil society groups and some government agencies, they contribute to the advancement of social and economic rights of Lagos citizens.

We identify a range of multisectoral strategies to address priority complex problems that build on prior initiatives and emerging sociopolitical priorities of Lagos.

Policymakers should:

1. Install sustainable streetlight systems in certain streets/hotspots to deter crime.
2. Incentivise Lagos cooperative societies towards new housing construction that provides eco-friendly, affordable rental, and owner-occupied housing on land they already own.
3. Explore green financing sources for promoting climate-resilient neighbourhoods, especially in under-served areas.
4. Promote financial inclusion opportunities for small businesses and MSMEs in Lagos.
5. Strengthen and enforce existing laws that prohibit the activities of miscreants; while providing rehabilitation and vocational training opportunities for the unemployed and unskilled
6. Streamline existing taxes and levies imposed by the Lagos state government and the local government areas (LGAs).



Research summaries

City of systems

Lagos remains a particularly complex metropolitan centre. It is plagued by unprecedented challenges as its population continues to grow disproportionately outstripping available infrastructure. This challenge is visible in both qualitative and quantitative terms, evidenced by the poor quality of services provided in transportation, waste management, WASH, food distribution, energy, and so on.

The informal sector provides alternatives to fill this deficit and have primarily become the service providers in Lagos – albeit disjointed and micro-scale.

Regrettably, there are capacity gaps at both state and local government levels, and the weak institutional framework results in poor service delivery. Many municipal services are outsourced to private actors, many of whom wield political influence.

The inadequacy of these systems is also contributing to massive insecurity, poor health and living conditions. There are innovative community-based interventions that address some of these challenges.

Political settlement

Lagos State has a multi-level governance system. Lagos State – coterminous with “Lagos Megacity” (Federal Government of Nigeria 2006) – spans 20 local government areas (LGAs), including four rural LGAs and 16 urban LGAs, referred to as Lagos Metropolis. While the LGAs are constitutionally recognised sub-national units headed by elected chairs, Lagos State in 2003 created an additional 37 local administrative sub-units, known as local council development areas (LCDAs), taking the total number of Lagos’ local councils to 57. Though governed by elective leadership and funded by the state governments, the LCDAs have yet to receive federal constitutional recognition.

Lagos includes two further administrative units, namely the traditional council and the community development advisory council (CDAC).

The state has 93 traditional rulers, and a paramount king – the Oba of Lagos who serve as custodians of customary subdivisions of the city. There are about 3,935 CDAs, according to the public affairs director of the Lagos State Ministry of Local Government and Community Affairs. CDAs operate at residential areas and

primarily carry out self-funded small-scale projects to bridge public infrastructure deficits though they occasionally receive state-funded grants (Olufuwa 2019). However, the dominant perception of CDAs is that CDA leadership are often politically aligned with the local government, making them effectively a local appendage of the ruling party.

Figure 1: CDAs in the governance structure of Lagos



Source: Oyalawo (2021).

Domains

> Safety and security

- There are high incidences of violent crime in Lagos – such as robbery, assaults, and thefts. In 2022, no fewer than 345 people were gruesomely murdered in Lagos.
- There is also an increasing incidences of building collapse and other disaster risk – Between October and July, 2021, about 65% of building collapse incidents in Nigeria occurred in Lagos.
- The main structural drivers of insecurity in Lagos are border porosity, visible networks of organised criminal groups, population influx from conflict-affected areas, youth unemployment, inequality, inadequate emergency preparedness, corruption and so on.
- Women, girls and children, and persons with disabilities are most affected by violent crime, conflicts and disaster risks.
- Most violent crimes in Lagos occur in the dark (night and early in the morning), and the victims are often people returning home from work or their businesses.

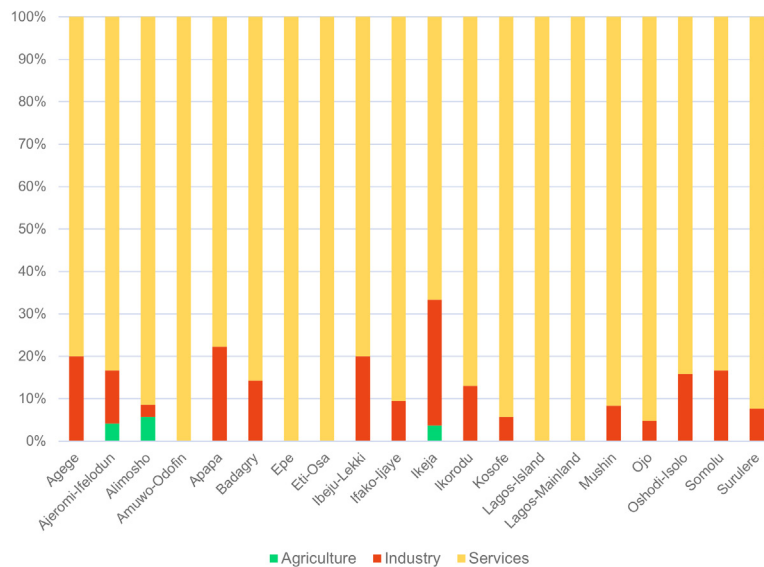
> Housing

- Housing problems in Lagos remain both qualitative and quantitative. A gap of 2 million new housing and upgrade of 3 million substandard housing have been estimated for Lagos since 2015. There is a need for new builds and for attention to focus on informal/slum/disadvantaged areas.
- Construction materials are predominantly imported and prone to macro-economic factors, with reliance on non-eco-friendly construction methods.
- There is a crisis in the rental housing sector, making decent homes inaccessible to low-income households.
- Floods affect 18% of Lagos, and waterfront and coastal communities are at higher risk of eviction.
- Reliance on mortgage financing as a policy tool overlooks those in informal employment – up to 60% of the population.
- Single women and female-headed households are often denied access to housing.

> Structural transformation

- There is a significant variation in spatial distribution of business establishments in Lagos. The services sector dominates in terms of share of establishments and employment.
- We found low productivity across spatial distribution and sectors. The LGAs with large productivity indexes have more concentration of micro and small-scale enterprises.
- Across broad sectoral classification, manufacturing sector has the highest productivity gain.
- Economic activities are driven by key factors such as population size, government macroeconomic and industrial policies, the presence of sea and airports, infrastructure (electricity, transportation network and ICT), industries, and relative security in the city.
- Challenges to structural transformation in Lagos are inadequate infrastructure – particularly the electricity and a strained transportation network, – due to excess demand arising from a continuous rise in population, a hostile business environment, and the problem of multiple taxation.

Figure 2: Spatial sectoral employment share



Source: NLSS (2018-19).

> Neighbourhood and district economic development

- Both men and women are involved in HMEs such as hairdressing, carpentry, confectionery/food processing and vending, although women were predominant.
- Higher education qualification is not a prerequisite for operating HMEs.
- Few operators of HMEs patronize the regular and formal financial outlets, such as the commercial banks. There is much reliance on daily contributions (also known as Ajo in local language).
- Access to financial credit is absent or extremely low for HMEs in Lagos.
- A significant number of HMEs have no formal business registration. Registering with Corporate Affairs Commission (CAC) is an ambition for some enterprises.



Potential strategic interventions

Safety and security

At least 1.85 million young people are without jobs, and 40% of young people in Lagos are not in employment, education, or training (NEET). Thus, we recommend establishing a vocational and entrepreneurship empowerment scheme for some marginalised youths in the state.

There are many notorious streets and crime hotspots in Lagos, affecting the mobility of residents, and business enterprises, particularly in night and early in the morning. Hence, we recommend sustainable street-light installations in certain streets/hotspots of violent crime to support the Streetlight Retrofit Project of Lagos State. There is also a need to strengthen the state through the Local Committee for Crime Prevention and Disaster Management (LCCPDM) initiatives to enhance the capacity of the safety and security agencies, and to build and operate early warning systems and preparedness that address the local communities' vulnerability to insecurity.

Housing

Government and private sector new-build housing is out of the reach of low-income earners. Lagos needs to incentivise Lagos' co-operative societies towards new housing construction to achieve climate-resilient, affordable rental, and owner-occupied housing on land they already own.

There is a need to make vulnerable, flood-prone neighbourhoods climate resilient by amplifying co-produced community resilience projects in marginalised communities. Close to 70% of residents live in poorly serviced neighbourhoods. We recommend the repair/regeneration of these existing neighbourhoods by unlocking funding for climate resilient/green facilities home and neighbourhood improvement financing.

Structural transformation

There is a shortage of infrastructure – electricity, water, road, gas, amongst other crucial amenities for business operations. Inadequate and poor infrastructure is a challenge for businesses and economic activities subsequently affecting economic transformation. To address the infrastructural problems, particularly power (electricity) supply and transportation, we recommend an independent power project (IPP) and a public-private partnership (PPP) arrangement.

To safeguard against a hostile business environment in Lagos, we recommend strengthening, operationalising and enforcing existing laws that prohibit the activities of miscreants; and the rehabilitation of miscreants through the provision of adult literacy programmes to build their capacity with requisite skills and transform their lives.

Businesses in Lagos are facing the problem of multiple taxation. Thus, there is a need to streamline existing taxes and levies imposed by the Lagos State government and the LGAs. Also, there is a need for collaboration between Lagos Internal Revenue Service (LIRS and Federal Inland Revenue Service (FIRS) for harmonisation of state and federal taxes.

Neighbourhood and district economic development

Lagos has over 3 million micro-enterprises, representing about 8% of the total in Nigeria, a country comprising 36 states and the Federal Capital Territory, Abuja. HMEs belong to this category and are at risk of loss of livelihood because they are unable to access finance to run and scale up their businesses, due to a lack of information on available sources of funds, as well as apathy towards accessing loans from formal financial institutions due to informality.

We recommend promoting financial inclusion of opportunity for HMEs in Lagos.

About this brief

This brief was produced by ACRC's Lagos team to outline research findings and potential interventions, in preparation for the final city uptake workshop in the programme's Foundation Phase (2022-23).

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