

# Chapter 45

## Socioeconomic Challenges and Opportunities of Urbanization in Nigeria

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### ABSTRACT

*Nigeria, with a population of about 186 million people (48% living in urban areas) in 2016, is the most populous country in Africa and eighth in the world, and by 2050 it is projected to become the third largest country in the world. This chapter highlights major challenges of rapid urbanization in Nigeria, caused mainly by in-migration of rural dwellers in search of better living conditions and employment opportunities. They include unemployment and urban poverty, social exclusion and crimes, poor housing and slum, inadequate provision of public services and proliferation of the informal sector. Notwithstanding, Nigeria can exploit these urbanization challenges and turn them into opportunities for socioeconomic development. As such, some key opportunities for sustainable urbanization in Nigeria has been discussed: (a) local economic development; (b) promoting urban sustainability; and (c) smart and knowledge city initiative. The chapter concludes with some future research directions.*

### 1. INTRODUCTION

Urbanization is a process that transforms towns and cities into bigger settlements and societies from rural to urban. The process influences the growth of urban areas as hubs for ideas, productivity, commerce, science, culture, and social development, by largely impacting their physical structure and socioeconomic institutions and the behaviors of urban development actors. Since 2007, more than half of humanity lives in urban areas, and the proportion is expected to reach about two-thirds by 2050 (UN, 2014). In 2015, there were about 7.35 billion people in the world and the population is expected to reach 8.50 and 9.73 billion by 2030 and 2050 respectively (UNDESA, 2015). Currently, about 85% of the global population

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lives in Africa, Asia and South America, with China and India alone accounting for 19% and 18% of global population respectively. The UN estimated that about 90% of urban population growth by 2030, which is 2.5 billion people, will take place in Asia and Africa alone, and that China, India and Nigeria will account for 37% of the global urban population growth by 2050 (UN, 2014).

Indeed, most of global population growth is taking place in medium-size cities of between half to million people as well as small towns of less than half a million people. Currently, around half of global urban residents live in small towns of less than half a million people (UN, 2014). Out of the 400 cities with at least a million people, 70% are from the developing countries (Cohen, 2006). Thus, the engine of future socioeconomic growth is to be found in cities of developing countries, if growth is properly nurtured and adequately sustained (Glaeser, 1998). Within the last quarter of the 21<sup>st</sup> century, cities have emerged as the world's economic platforms for production, innovation and trade, thus becoming the most important engines of global economic growth. These opportunities serve as the pulling force that causes cities to expand and experience influx of immigrants searching for better living conditions.

However, in Nigeria and many developing countries, managing rapidly growing cities is extremely difficult, which is due to limited financial, technical and managerial resources and weak institutions. As such, cities have outstripped their capacity to provide decent housing and basic services for their citizens. Other urbanization challenges include slums (about half of Nigeria's urban population live in slums), unemployment and crime, poverty and social exclusion (UN-Habitat, 2009). One of the challenges of utmost concern is certainly the substantial growth in the numbers of the urban poor. As majority of people who migrated to urban areas with the hope of getting employment opportunities could not get jobs, the percentage of urban poor is growing faster than the total rate of urban population growth in Nigeria and several low-income countries (Alkali, 2005; Oyeleye, 2013; UN-Habitat, 2016). Notwithstanding, Nigeria can exploit these urbanization challenges and turn them into opportunities for socioeconomic development.

In view of the above, this chapter explores the socioeconomic challenges posed by rapid urban growth in Nigeria and the opportunities that can be harnessed to promote sustainable urbanization. Desktop study of secondary data was employed as the methodology. With an estimated population of about 186 million people (48% living in urban areas) in 2016, Nigeria is the most populous country in Africa and eighth in the world, and by 2050 the country is projected to become the third largest country in the world with a population of 392 million (CIA, 2016). The contribution of this chapter on how to utilize urbanization opportunities to promote socioeconomic development in developing countries is a neglected area in development studies.

This chapter is organized into six sections. The first section introduces the importance of the topic, the purpose of this study and the organization of the chapter. Section two reviews the concept of and the trend of urbanization in developing countries, with emphasis on Africa. In the third section, the rate of urbanization in Nigeria and its major urban centers is discussed. The fourth section presents a critical analysis of some challenges of rapid urbanization in Nigeria, including unemployment and urban poverty, social exclusion and crimes, poor housing and slum, inadequate provision of basic public services and proliferation of the informal sector. Section five presents some key opportunities for sustainable urbanization in Nigeria: (a) local economic development; (b) promoting urban sustainability; and (c) smart and knowledge city initiative. The chapter concludes with some future research directions

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