

## An Appraisal of Informal Commercial Activities in Osogbo, Osun State Nigeria

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**Abstract:** This study appraises the characteristics and respondents' perception of the environmental effects of informal commercial activities; as well as the efforts made by government to manage informal commercial activities in Osogbo. The study utilized questionnaire administration in areas with significant informal activities using random sampling technique. A total of 102 and 182 at 10% were chosen from a total of 1,020 and 1,815 identified residents and informal commercial operators respectively. Frequency and percentages as well as correlation analysis were used to analyze the data collected. The study reveals that trading accounted for the highest informal commercial activities (62.96%) while exposure to severe weather (29.01%) were what respondents considered the riskiest encounter. Waste generation (3.7) was the highest ranked factor that negatively impacted on the environment while O-Traffic which ranked (3.3) was the most effective tool in the management of informal commercial activities. Finding from correlation analysis ( $r=-0.5$ ,  $p=0.040$ ) indicated that there is moderate negative significant relationship between perceptions of the environmental effects of informal commercial activities and effectiveness of efforts made by government to manage informal commercial activities at  $p<0.05$  confidence level. The study concludes by recommending that informal operators should be recognized and integrated into the city's main stream planned commercial activities.

**Keywords:** Informality, commercial activities, poverty, spatial, urban management.

### I. Introduction

The informal sector or otherwise known as grey economy or shadow economy [1] or informality or informal economy refers to a category of income generating activities or services or settlement practices that are relatively unregulated or uncontrolled by the state or formal institutions [2]. Similarly, [3] described the informal sector as a portion of the economy which is not taxed, not monitored and not acknowledged by the government and therefore, does not constitute part of the gross national product

(GNP) and gross domestic product (GDP) of a country. According to [1] the employment in the informal sector can be categorized as (a) Self-employed- owners or owner operators or working for oneself, (b) Wage workers-employees of informal businesses and (c) Employers-workers of informal enterprises.

The World Bank categorizes informal businesses into two types of labour market activities. The first one has to do with the coping strategies, which are casual jobs, temporary jobs, unpaid jobs, subsistence agriculture and multiple job holding. The second has to do with the unofficial earning strategies which are tax evasion, avoidance of labour regulations and other government institutional regulations, none registration of the company and also underground activities: crime such as prostitution, drugs and

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corruption- activities not registered by the government [1].

Similarly, the universally accepted definition of informality has been the one put forward by the International Labour Organisation (ILO) resolution on informal economy in 2002 which comprises both enterprise and employment relations (without secure contracts, worker benefits or social protection) both inside and outside informal enterprise [4]. According to [2] the informal sector or informality refers to a range of phenomena, such as absence of regulation, smallness of size and completion. The ability of the informal sector economy to contain a teeming population of the unemployed into the labour force has posed a significant challenge to urban land use planning and management not only in Nigeria but also in some other emerging countries of the world as observed by [5]. They further noted that the challenge of the unemployed is borne out of the capacity of the sector to generate land use problems such as sprawl problem, incongruous land uses, building alterations, the menace of temporary structures, alteration of land use functions, open space conversions and land degradation.

[6] observed that “urban land use problems are being aggravated due to urban growth and the consequent phenomenal increase in population as well as the unstable state of the urban economy as more people are moving into these informal commercial activities for daily survival and sustenance of livelihoods especially for millions of people who have either been retrenched from their jobs, or whose incomes are no longer sufficient to support basic needs and those who are qualified but have not been able to find jobs”.

Informal commercial activities according to [7] have been noted as a global problem has

affected these activities and conflicted with many other sectors such as the urban housing sector where buildings are converted from residential to commercial use, the urban transportation system where informal commercial activities infringed on the flow of traffic during peak-periods or working hours. [22] noted that the “informal commercial activities is characterized by one central feature; it is unregulated by the institutions of society in a legal and social environment in which similar activities are regulated.”

Similarly, [2] observed that [8] characterize the informal sector broadly as consisting of units engaged in the production of goods or services operating typically at a low level of organization, with little or no division between labour and capital as factors of production (also an extensive blurring between labour management or ownership) and on a small scale. Therefore, labour relations where they exist are based mostly on casual employment, kinship, or personal or social relations, rather than contractual arrangements with formal guarantees. The owners of these production units have to raise the necessary finances at their own risks and are personally liable without limit for any debts or obligations incurred in production. Similarly, expenditure for production is often indistinguishable from household expenditure and capital goods such as buildings or vehicles may be used indistinguishably for both business and household purposes [2].

In contrast to the informal economy, the formal economy is comprised of commercial activities that a governing body taxes and monitors for society’s benefit and whose outputs are included in a country’s gross domestic product [21]. [1] argued that the informal sector plays an important role in employment generation and poverty alleviation by providing incomes to unskilled

and semiskilled workers who otherwise would have been unemployed. According to [9], “it is evident that job crisis in formal sector, increased level of poverty and low requirement for skills are more influential factors responsible for the increased labor in informal business areas”. [2] noted that the reasons why informality, is loosely construed and has continued to occupy a prime position in most public debates. The first of the reasons is its strong association with poverty of the individual and empirical studies such as [10] emphasized heterogeneity within the informal sector while [11] noted that Indian workers in unorganized sector had higher incidence of poverty (20.5%) than their counterparts in the organized (11.3%).

The use of the state to foster growth and development has been common practice in developing countries. The role of the state in ensuring a better distribution of economic resources has been emphasized by many writers. [6] emphasized that, since human activities take place in space, there is high demand for urban public land and spaces for the accommodation of the ever-growing needs of the sector both to settle and trade.

[12] noted in a field survey carried out in some geographical areas of Osogbo in Osun State that every “suitable” and “available” land space is converted to the use that suits the business activity thus resulting in the erection of shops, kiosks, workshops and other temporary structures without formal approval. This study therefore, appraises the characteristics of informal commercial activities and their operators; perception of the environmental effects of informal commercial activities; as well as the efforts made by governments to manage informal commercial activities in the city of Osogbo.

## II. Literature Review

Informal commercial activities are global phenomena [13]. Informal business activities play a very important role in employment generation in the developing countries. The Asian Development Bank (ADB) and Bangladesh Bureau of Statistics (BBS) conducted a labour force survey (LFS) prior to 2010 and observed that 89% of the total employment was in the informal economy with 76% of urban job markets in the informal businesses contributing to 40% of total gross economic value added to Bangladesh in 2010 [14].

In Nairobi due to high magnitude of unemployment, thousands of the residents invaded the city’s unplanned open-spaces and road reserves to operate informal commercial activities. Informal commercial activities have posed a lot of problems in Osogbo as informal commercial operators were found on road set-backs narrowing the roads which affects the free flow of traffic. [15] argued that, “one of the merits of informal commercial activities is that it economically contributes to the development of communities and the profits accrued from these would also be used to further physical development of the concerned communities”. [15] further argued that, “this was one of the reasons why unemployed residents have been able to find harbour in them.

However, the negative effects of these activities are physically manifested in street trading along setbacks and on vehicular lanes during traffic jams and hold-ups, unauthorized conversion of building use from residential to commercial, attachment of sheds to building frontages with goods spilling over to roadsides, noisy audio media advertisement, on street parking by shoppers and shop owners” among others. Policy

makers who ought to arise and rescue the situation often perceive these as opportunity for the unemployed and low-income earners to earn their livelihood among the urban poor.

A major problem associated with informal commercial activities is the conflict of use, between these activities and designated uses, which largely results from lack of effective regulation. These include encroaching on the road reserves as is the case of the study areas and their road facades. The resultant developments reflect a state of fear to these people as to when, not if, they will be evicted. This has led the traders to construct makeshift, ugly-looking structures that are poorly serviced, aesthetically unpleasant and environmentally unstable, from where they cannot reap the maximum economic benefits of their trade [16]; [5].

This study notes that research interest in urban informality is growing; however, many of the existing studies have not addressed challenges posed by informal commercial activities in urban areas especially in Osogbo. Indeed, the need to evaluate the effects of informal commercial activities in urban areas deserves urgent attention due to rapid urbanization.

### III. Materials and Method

#### A. The Study Area

Osogbo metropolitan city is situated within longitude  $4^{\circ}28'0''E$  and  $4^{\circ}37'31''E$ , latitude  $7^{\circ}40'0''N$  and  $7^{\circ}45'0''N$  southwest of Nigeria (Figure 1). Osogbo was founded in the late 17th century between 1650 and 1700 and originated as a traditional as well as cultural town due to its very rich arts and cultural heritage [17]. It is 88km by road northeast of Ibadan, the capital city of Oyo State; 100km

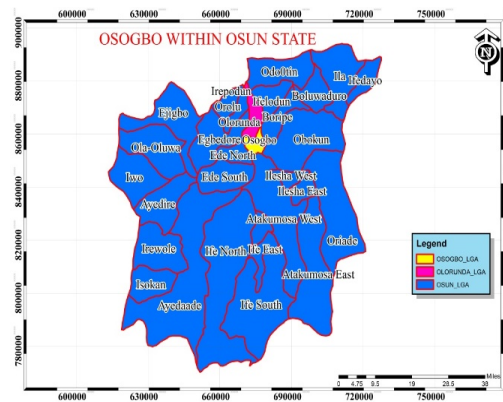


Figure 1: Osogbo within Osun State  
Source: Author's fieldwork, 2018

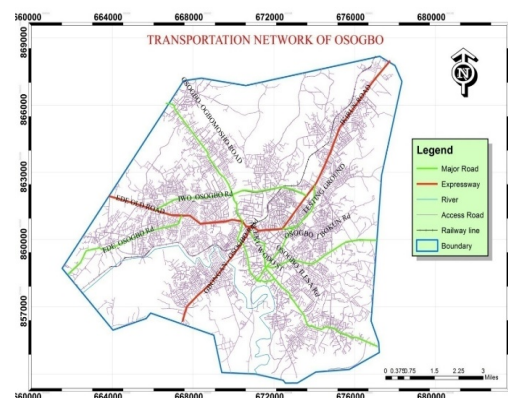


Figure 2: Transportation Networks of Osogbo  
Source: Author's field work 2018

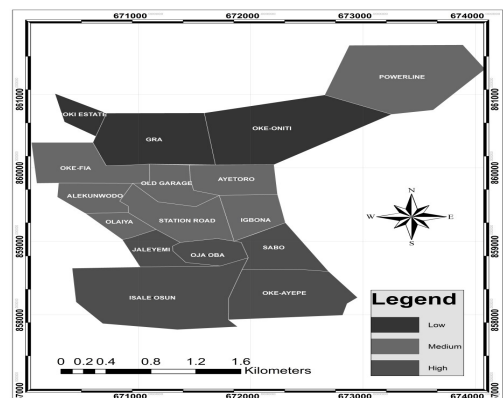


Figure 3: Neighbourhoods of Informal Commercial Activities in Osogbo.  
Source: Author's field work 2018

by road south of Ilorin, the capital city of Kwara State and 115km northwest of Akure, the capital city of Ondo State. Osogbo shares boundary with Ikirun, Ilesa, Ede, Awo and Iragbiji and is easily accessible from any part of the state due to its centrality.

Osogbo became the capital of Osun state after its creation in 1991 [18], it consists of two local Governments, which are Osogbo and Olorunda local Governments with headquarters at Oke Baale and Igbonna respectively (Figure 2). The Population of the study area according to the 2006 census was 156 694 people and was project using the growth rate of 3.2 [19], to get the current population. Using this formulae;

$$P2 = P1(1 + r)^n \quad (1)$$

where  $P1$  is the initial population,  $r$  is the percentage growth rate,  $n$  is the time difference

$$P2 = 156694 (1+3.2)^{12}$$

$$P2 = 156694 (1.4593)$$

$$P2 = 228,670 \text{ population}$$

Therefore, the 2018 population projection of Osogbo using a growth rate of 3.2 is equal to 228,670 populations.

## B. Methodology

The study involved interviewing the operators and residents of informal activities in the area.

Table 1: Number of questionnaires administered in the selected neighbourhoods.

S / N	Zoning	Location	Number of identified operators	Number of identified residents	Selected operators at 10%	Selected residents at 10%
1	High income earners	GRA	174	98	18	10
		Okefia Oroki Estate	183	103	19	10
2	Medium income earners	Old Garage	479	269	48	27
		Alekunwodo	267	150	27	15
3	Low income earners	Oja-Oba	356	200	36	20
		Olu-Ode	356	200	36	20
Total			1,815	1,020	182	102

Source: Field Survey 2018

The study area was segregated into three residential densities of high density (Oja-Oba (King's Market), Isale Osun and Olu-Ode districts); the medium density (Station road, Old Garage, Ajegunle, Olaiya, Alekunwodo, Jaleyemi, Igbona, Ayetoro and Sabo) and the low density (Okefia, GRA, and Oroki estates) (figure 3). For questionnaire administration, the area was disaggregated into clusters along the major axis of the city which include; medium density: Alekunwodo and Old-garage, high density: Oja-Oba and Olu-ode, low density: Okefia GRA and Oroki estates as shown in Table 1 to assess their socio-economic and demographic characteristics, the factors that contributed to their perseverance, the potentials and challenges of their activities. In addition, vehicle owners parked along major streets of these activities with on street parking facilities and pedestrians along these areas were enumerated to determine the impacts of their interaction with the street traders.

A reconnaissance survey conducted in the study area on informal commercial activities revealed an estimated 1,815 operators, of whom 182 (10%) structured questionnaire were administered. Systematic random sampling technique was used for the interview of operators. Furthermore, an estimated 1,020 residents were also identified out of which 10% representing a total number of 102 questionnaires were administered systematically on respondents as shown in Table 1. Descriptive statistics in form of frequency and percentages were used to analyse the data. A five-point Likert computation based on 'strongly agree', 'agree', 'disagree', 'strongly disagree' and 'indifferent' were used with weighted values of; 5,4,3,2, and 1 respectively to analyse the respondents' perception of the environment. Similarly, a four-point Likert scale was used to assess the effectiveness of government efforts

based on ‘very effective’, ‘effective’, ‘less effective’ and ‘indifferent’ with weighted values of 4,3,2 and 1 respectively in managing informal commercial activities. Pearson Product Moment Correlation (PPMC) was used to examine relationship between respondents’ perception of the environmental effects of informal commercial activities and the effectiveness of efforts made by government to manage informal commercial activities.

## IV. Results and Discussions

### A. Characteristics of informal commercial activities engaged in by the operators

Table 2 shows the characteristics of informal commercial activities in Osogbo, Osun state. The highest proportions of respondents (62.96%) were engaged in trading activities thereby generating employment which was in concordance with a similar study in Ede by [20], the city of Nairobi by [13] and in [14]. The data revealed that 32.72% of respondents operated their businesses between 12 noon to 8:00 PM accounting for the highest percent with regards to operational time. Similarly, 32.72% of respondents got their capital from family, 29.01% from friends, 14.81% from cooperatives and 4.94% from bank loans. Further, result also revealed that 30.25% informal commercial operators have been operating for less than 2 years, 22.84% for 2 to 5 years, 19.14% for 6 to 10 years, 12.35% for 11 to 15 years, 8.64% for 6 to 20 years and 6.79% for more than 20 years.

Table 2: Characteristics of informal commercial activities

Characteristics of informal commercial activities	Frequency	Percentage %
<b>Type of business</b>		
Trading	102	62.96
Repairer	32	19.75
Rendering services	28	17.28
Total	162	
<b>Time of operating the business</b>		
Between 6am – 2pm	8	4.94
Between 6am – 8pm	26	16.05
Between 6am – 10pm	31	19.14
Between 12noon – 8pm	53	32.72
Between 12noon – 10pm	29	17.90
Others	15	9.26
Total	162	
<b>Source of capital</b>		
From family	53	32.72
From friend	47	29.01
Cooperative	24	14.81
Loan	8	4.94
Others	30	18.52
Total	162	
<b>Period of operating business</b>		
Below 2 years	49	30.25
2 – 5 years	37	22.84
6 -10 years	31	19.14
11 – 15 years	20	12.35
6 – 20 years	14	8.64
Above 20 years	11	6.79
Total	162	
<b>Reasons for choosing this location</b>		
Existence of residential neighborhood	61	37.65
High pedestrian movement	48	29.63
The traffic condition/driving behavior	30	18.52
Others	23	14.20
Total	162	
<b>Average income per day</b>		
Less than N1,000	21	12.96
N1,000 - N5,000	68	52.47
N5,000- N10,000	32	25.93
N10,000 and above	14	8.64
Total	162	12.96
<b>Tax Payment</b>		
Yes	4	2.47
No	158	97.53
Total	162	
<b>Confrontations by law enforcement agencies such as the police or health officers?</b>		
Yes	97	59.88
No	65	40.12
Total	162	
<b>Risks encountered in street trading?</b>		
Being hit by vehicles	31	19.14
Loss of goods	27	16.67
Exposure to high concentration of air pollutant	29	17.90
Exposure to hot sun and inclement weather	47	29.01
Crime and theft	12	7.41
Sexual harassment	7	4.32
Kidnapping	9	5.56
Total	162	

Source: Field Survey, 2018

The implications are that most operators joined recently due ease of entry into the sector confirming their proliferation and ability to provide social safety nets and job security to the teaming youths. As a matter of fact, 37.65% operators chose their informal commercial location because of existence of residential neighborhoods, 29.63% because the location had high pedestrians movement, 18.52% because of the traffic condition/driving behaviour at the location and 14.20% operators of informal commercial activities chose their location for other reasons which may include proximity to manufacturer and or market etc.

Informal commercial operators made an average of 1,000 to N 5,000, (52.47%) in a day. Similarly, results in table 2 show that 97.53% of the operators claimed not to pay taxes while 2.47% claimed to be pay. The result indicated that operators do encounter confrontations with law enforcement agencies as reflected in their responses, 59.88% reported confrontations while 40.12% denied

having any confrontations with law enforcement agencies. The risks encountered by operators were; exposure to hot sun and severe weather conditions, the risk of being knocked down by vehicles, exposure to high concentration of air pollutant, loss of goods, crime and theft, kidnapping and sexual harassment.

In examining the perception of informal commercial activities in Osogbo, the residents that participated in this study presented a good perception of informal commercial activities in Osogbo, this is evident in their responses presented in Table 3; where 59.13% of the respondents agreed that informal business activities influenced traffic congestion in Osogbo where 72.05% concurred that informal business activities contributed to noise generation within the environment which was observed in a similar study by [7].

Similarly, 60.21% agreed that informal business activities contributed to poor

Table 3: Perception of Informal commercial activities by residents

Perception of Informal Commercial Activities	Strongly Agree		Agree		Disagree		Strongly Disagree	
	F	%	F	%	F	%	F	%
Do you agree that informal business activities influence traffic congestion in Osogbo?	18	19.35	37	39.78	27	29.03	11	11.83
Do you agree that informal business activities contribute to noise generation within the environment	26	27.96	41	44.09	19	20.43	7	7.53
Do you agree that informal business activities contribute to poor sanitation in Osogbo?	21	22.58	35	37.63	24	25.81	13	13.98
Do you agree that informal commercial activities contribute to poor visual quality of this neighborhood?	29	31.18	33	35.48	19	20.43	12	12.90
Do you agree that existence of informal commercial activities generate employment in this neighborhood?	32	34.41	38	40.86	16	17.20	7	7.53
Do you agree that informal commercial activities influences crime rate in this neighborhood?	15	16.13	29	31.18	26	27.96	23	24.73
Do you agree that informal commercial activities hinder pedestrian movement in this neighborhood?	9	9.68	26	27.96	31	33.33	27	29.03
Do you agree that informal business activities influences high rental value?	14	15.05	27	29.03	29	31.18	23	24.73
Do you agree that informal business activities dirty or generate waste in this environment?	28	30.11	34	36.56	19	20.43	12	12.90

Source: Field Survey, 2018. F = Frequency, % = Percentage

sanitation in Osogbo, 66.66% noted that informal commercial activities contributed to poor visual quality of their neighborhood while, 75.27% opined that existence of informal commercial activities generated employment in this neighborhood. These findings were in tandem with earlier findings by [15], [13] and [16] where informal commercial activities contributed to poor sanitation, poor visibility and generation of waste just to name but a few. Similarly, 52.69% disagreed that informal commercial activities influenced crime rate in this neighborhood, 62.36% disagreed that informal commercial activities hindered pedestrian movement in this neighborhood, 55.91% disagreed that informal business activities influenced high rental values, and 66.67% concurred that informal business activities dirtied or generated waste in thier environment.

### B. Perception of the environmental effects of informal commercial activities

Table 4 reveals the perception of the

environmental effects of informal commercial activities in Osogbo as opined by the participated in this study and therefore very significant in environmental management. Table 4 indicates that waste generation had the highest mean weighted value of 3.73. This implies that waste generation was ranked highest as the environmental effects of informal commercial activities in the study area. Further, the environmental effect that respondents ranked second was poor sanitation with mean weighted value of 3.72. This situation was followed in decreasing order by poor traffic flow (3.45), high rental values (3.43), visual quality (aesthetic) (3.27), noise level having a mean weighted value of 3.20, safety and security (3.20) and pedestrian movement (2.75). It could however be observed that these attributes affect the quality of the physical environment particularly waste generated from food items such as fruits and fast foods, wrappers such as nylon packs, cartons, pure water sachets, plastic bottles and other empty packs which litter the streets as the informal sector make

Table 4: Perception of the environmental effects of informal commercial activities by respondents.

S/N	Variables	Ranking					F(NR)	SWV	MWV	
		5	4	3	2	1				
1	Poor Sanitation	130	136	54	22	4	93	346	3.72	2 <sup>nd</sup>
2	Visual quality(aesthetic)	95	128	27	42	12	93	304	3.27	6 <sup>th</sup>
3	Pedestrian movement	55	68	63	52	18	93	256	2.75	8 <sup>th</sup>
4	Obstruction of Traffic flow	120	116	48	26	11	93	321	3.45	4 <sup>th</sup>
5	Safety and Security	105	96	45	38	14	93	298	3.20	7 <sup>th</sup>
6	High Noise Level	140	124	30	32	8	93	334	3.59	3 <sup>rd</sup>
7	Waste Generation	125	148	51	18	5	93	347	3.73	1 <sup>st</sup>
8	High Rental Value	70	120	45	32	18	83	285	3.43	5 <sup>th</sup>
<b>Total</b>									<b>27.1541</b>	

Source: Field Survey, 2018

Table 5: Appraisal of government's regulatory efforts

S/N	Variables	Ranking				F(NR)	SWV	MWV	Rank
		4	3	2	1				
1	Environmental Health Officers	64	57	66	25	93	212	2.28	4 <sup>th</sup>
2	Citizen Participation	140	81	20	11	93	252	2.71	2 <sup>nd</sup>
3	Police Control	116	75	42	18	93	251	2.70	3 <sup>rd</sup>
4	O-traffic	168	114	18	4	93	304	3.27	1 <sup>st</sup>
<b>Total</b>								<b>10.957</b>	

Source: Field Survey, 2018



their money for there are no street waste bins. Specifically, it could be observed, that all of the respondents' opinions were above average mean value about environmental effects of informal commercial activities in Osogbo the study area. As a matter of fact, the overall mean value of responses was 3.39. This implies that mean responses of the people were above average indicating that incidence of informal activities indeed affected the environment negatively in the study area.

$$\text{Mean of } \sum \text{MWV} / n = 27.1541 / 8 = 3.3943$$

where FNR= number of questionnaires, N= number of responses, SWV= weighted values, where MWV is the Sum of the mean value which is the index of environmental effects of informal commercial activities was arrived at by dividing the Summation of the Weighted Value (MWV) by the number of responses (N).

### C. Appraisal of government's regulatory efforts by residents.

The O-Traffic of the State Government was

Table 6: Correlation of effects of informal commercial activities and effectiveness of Government's efforts in manage informal commercial activities

		Perceptions of the environmental effects of informal commercial activities	Efforts made by governments to manage informal commercial activities
Perceptions of the environmental effects of informal commercial activities	Pearson Corelation Sig. (2-tailed)	1	-.517*
	N	16	16
			.040
Efforts made by governments to manage informal commercial activities	Pearson Corelation Sig. (2-tailed)	-.517	1
	N	16	16
		.040	--

\*Correlation is significant at the 0.05 level (2-tailed)

Source: Author's computation, 2018

what residents considered the most effective government effort with mean score of 3.27 as indicated in Table 5. This was followed by Citizens' Participation with 2.71 rating, though it fell below the average mean weighted value of 2.74. Others which equally fell below the mean weighted value include Police Control with a mean weighted value of 2.70 and Environmental Health Officers rated 2.28. O-Traffic of the Osun State Government was the most effective tool in managing informal commercial activities which is not unconnected to the fact that they made use of effective hand held digital devices which captures the plate number of every vehicle parked within the designated on street parking lots within the informal commercial axis where such lots exist and print out a ticket automatically for that individual to pay. Similarly, other variables such as Citizen Participation, Police Control and Environmental Health Officers fell below the average mean weighted value of 2.74 and were therefore not very effective in managing informal commercial activities in Osogbo. Therefore, there is need to make them more effective by empowering them technologically and other necessary ways for effective service delivery.

$$\text{Mean of } \sum \text{MWV} / n = 10.957 / 4 = 2.74$$

where FNR= number of questionnaires, N= number of responses, SWV= weighted values, MWV= Sum of the mean value which is the index of possible government regulatory efforts was arrived at by dividing the Summation of the Weighted Value (MWV) by the number of responses (N).

#### **D. Perceptions of the environmental effects of informal commercial activities and efforts made by Government agencies to manage informal commercial activities**

In this sub-section, the relationship between perceptions of the environmental effects of informal commercial activities and effectiveness of efforts made by government agencies to manage informal commercial activities was examined. Data were aggregated from the raw percentages used to obtain table 4 and 5. The data were transformed to make it amenable to parametric test. Pearson Product Moment Correlation (PPMC) was however used for the analysis and the result is contained in Table 6.

Table 6 shows result of correlation analysis indicating relationship between perception of the environmental effects of informal commercial activities and effectiveness of efforts made by government agencies to manage informal commercial activities. According to the table, with correlation coefficient ( $r$ ) of -0.517, it could be observed that there is a moderate negative correlation between perception of the environmental effects of informal commercial activities and effectiveness of efforts made by governments to manage informal commercial activities. This implies that efforts made by government agencies to manage informal commercial activities have not actually stopped the negative effects that the commercial informal activities have on the environment. That is, the deficiencies of government efforts have no doubt led to increase in the negative environmental effects. Moreover, with p-value of 0.040, it is also observed that there is a negative significant relationship between residents' perception of the environmental effects of informal commercial activities and effectiveness of efforts made by government

agencies to manage informal commercial activities at  $p < 0.05$  confidence level. It can however, be inferred that government's efforts in managing informal commercial activities have not been effective.

#### **V. Conclusion and Policy Issues**

Findings of this research have shown several factors responsible for informal commercial activities and its effects in Osogbo, Osun state. Some of the reasons given by the operators for engaging in informal commercial activities as implied in this study are genuine while some are unjustifiable. Also, government efforts and citizens participation in management of challenges posed by informal commercial activities are not very effective. O-Traffic of the Osun State Government was the most effective in managing informal commercial activities. Other variables such as Citizen Participation, Police Control and Environmental Health Officers which fell below the average mean weighted value of 2.74 which need to improved on technologically.

The implications of unguided and prevalence of informal commercial activities in Osogbo might not be unconnected with the economic deprivation resulting from unplanned settlements and inability of existing social, economic and physical structures to meet the rapidly growing demand of the urban population. It could be observed from the study that the use of metal containers as shops by the informal sectors operators is very significant and that when the government and other regulatory agencies occasionally clamp down on any area there is a transfer of these containers to another area and the cycle continues. It also describes the consequences of the roadside commercial activities on traffic flow, health status of the traders and the environment as reported by the respondents. As a matter of policy, the

following issues are necessary for consideration if the ugly trend of informal commercial activities is to be nipped in the bud in Osogbo Osun State, Nigeria:

The operators of informal commercial activities form an integral part of the informal economic sector which contributes significantly to the economy of the nation. Hence, they should be recognized and integrated into the economic system instead of the current hostility towards them [12].

The provision of infnhanace and promote their activities and formalized them is also highly recommended.

Educating informal sector workers on the dangers of environmental degradation, the violation of setback standards and other planning regulations, and the benefits of an organized urban environment and also educating them into formation of co-operative societies so as to provide a forum for them to combine their efforts so as to secure finances to grow their businesses is a necessity.

The state government should provide a comprehensive planned alternative location for markets solely for the road-side traders through public participation in deciding such locations. Such locations should have high connectivity and accessibility in order for the traders to have adequate patronage equivalent to the one they have in their present locations [12].

Planning regulatory agencies and the government agencies such as Health Officers, O-traffic and Police among others should combine their efforts in formulating new policies aimed at improving the productive capacity and reliable mechanism where plans can be established to institutionalize and

formalize systems in which formal and informal commercial activities can co-exist.

The on-street parking lots could be equipped with automated digital pay meters as in other countries for car owners and operators of informal commercial activities users to drop in the stipulated amount as soon as they park and pickup a printed ticket as evidence. This will go a long way to generate revenue for the government to fund the urban expansion programme in the state.

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