Vol. 10 No. 2 (2026): Journal of Contemporary Social Research
Journal Link: https://aa.unij.co.uk/index.php/jcsr / *Pub. Link*: https://aa.unij.co.uk/index.php/jcsr/issue/view/12

An Evaluation of the Economic Base in Small Sized Urban Centres in Kogi State, Nigeria

Abuh, Paul Ojochenemi
Department of Geography and Environmental Studies,
Faculty of Social Sciences, Prince Abubakar Audu, University,
Anyigba, Kogi State, Nigeria
paulabuh0@gmail.com, abuhpaulojo@yahoo.com / 08060019170
Orcid no. 0009-0005-8695-5522

DOI: https://doi.org/10.5281/zenodo.23459177

Abstract
Small sized urban centres (SSUCs) in developing countries are becoming centres of economic activities. This study examined the economic base of small-sized urban centres (SSUCs) in Kogi State, Nigeria, with particular emphasis on the classification of urban services into basic and non-basic sectors. A descriptive cross-sectional survey research design was adopted. Twenty (20) Local Government Headquarters identified as SSUCs were purposively selected for the study. Data on employment in urban services were obtained through field observations and a workforce/employment approach, using a field checklist. The data were analysed using Location Quotient (LQ) analysis to classify the identified urban services into basic and non-basic sectors, with an LQ greater than 1 indicating a basic sector and an LQ less than 1 indicating a non-basic sector. The findings revealed that out of the 44 urban services examined, 37 (84.1%) were basic sectors, while 7 (15.9%) were non-basic sectors. The non-basic services comprised abattoirs, car wash services, banks, cyber cafés, filling stations, hairdressing/barbing salons and hospitals/health centres. Provision stores recorded the highest Location Quotient (1.7120) among the basic services, while banks recorded the lowest LQ (0.5287) among the non-basic services. The findings indicate that the economic base of the SSUCs is strongly supported by diverse urban services, most of which are dominated by informal-sector activities. The study concludes that the availability and expansion of basic urban services provide considerable potential for the economic growth and development of SSUCs in Kogi State. The study therefore recommends improved provision of physical infrastructure, particularly roads, telecommunications and electricity, to strengthen service delivery and enhance the growth of the SSUCs.

Keywords: *Small-sized; Urban Centres; Economic Base; Urban Services; Location Quotient.*

Introduction

Urban centres are centres of economic activities that the surrounding areas depend on it for their continuous existence. Therefore, every urban centre has its economic base. Engida & Solomon ((2014) reported that the economic base of most urban centres are characterized by majorly distributive services and public administration. These economic base sustains the urban centre by generating and injecting income to the urban system. Interestingly, the urbanization process in Kogi State has led to the development of several small sized urban centres (SSUCs). Consequently, economic base/urban functions and services it provides for enhance socio-economic development and growth of these SSUCs needs to be studied. Apparently, the economic growth of these SSUCs is based on the basic activities that they perform and the non-basic activities which allow the circulation of the income within the urban centre. The economic base of an urban centre includes manufacturing, agriculture, mining, construction, education, hotels, transport, financial institutions, health and social work, and communications among several others. However, SSUCs in developing countries have majority of their economic base within the informal sectors. The informal sector exists in the various SSUCs in Kogi State and serves as the economic base. The informal sector generally refers to an unofficial, underground, hidden, invisible, shadow, parallel, second, unregulated, unrecorded, unmeasured, and unobserved economy (World Customs Organization, 2015). The informal sector is the major source of urban existence and serves as a major source of employment and livelihood for the urban poor (Tariku et al., 2023, Singh, 2020). The informal sector plays a significant role in income generation, reducing unemployment and thereby contributing to the livelihood of the urban poor (Admasu et al., 2019; Tariku et al., 2023). Moreover, the sector also provides a wide range of services and produces a variety of basic goods and services that can be used by all classes of consumers, especially low-income groups (Asmamaw, 2014). Essentially, the informal sectors are the backbone of economic growth of SSUCs in developing countries. The informal sector found in SSUCs include catering services, cement sales and distribution, poultry farming, barbing/hair dressing salon, car wash, rentals services among several others. These informal sectors drive the SSUCs growth by creating additional informal jobs in the non-basic sectors. The socio-economic activities that go on contribute to the functioning of the SSUCs. These informal sectors form the foundation of urban function/services in the SSUCs in Kogi State, Nigeria. It has been noticed that despite the significant component of the economy controlled by the informal sectors and the provision of livelihood to sizeable number of people, the sector have been consistently underestimated (Fourie, 2018; Thwale et al.,(2023).

Several studies on informal sector that forms the urban function have been conducted. Singh (2020) worked on role of street vending in urban livelihood in case of Mettu town. The study adopted scientific approaches to the study of the relationship between the volume of street commerce and living conditions of urban population. The study empirically confirms and theoretically proves that street selling is one of the important sources of urban existence in Ethiopia. Thwale et al, (2023) studied contribution of the informal sector towards sustainable livelihoods: evidence from Khayelitsha Township, Cape Town. Findings of the study indicates that the informal sector positively contributes to the sustainable livelihoods of those involved in the informal sector and the relatives of those through income generation, family support,

business incubation, creativity, wealth creation employment and innovation. Tariku et al,(2023) looked at the urban informal sector as a means of livelihood improvement among youth; evidence from Hawassa city, Ethopia. Finding of the study showed that the majority of the participants (67%) perceived that participating in the informal sector has considerably improved their livelihood. In regard to the above previous studies, none looked at the informal sectors being the economic base of the SSUCs in Kogi State, Nigeria. As such, this study is set out to classify the economic base among the SSUCs in Kogi State, Nigeria.

Study Area

Kogi State, is located approximately between Latitudes$7^0$30ˈN and $8^0$10ˈN North of the equator and Longitudes $6^0$42ˈE and $7^0$50ˈE East of the Greenwich meridian (Ogunkolu, 2021).It is bounded by the Federal Capital Territory (FCT) and ten states. Kogi State is made up of 21 Local Government areas out of the 774 Local Government areas in Nigeria.

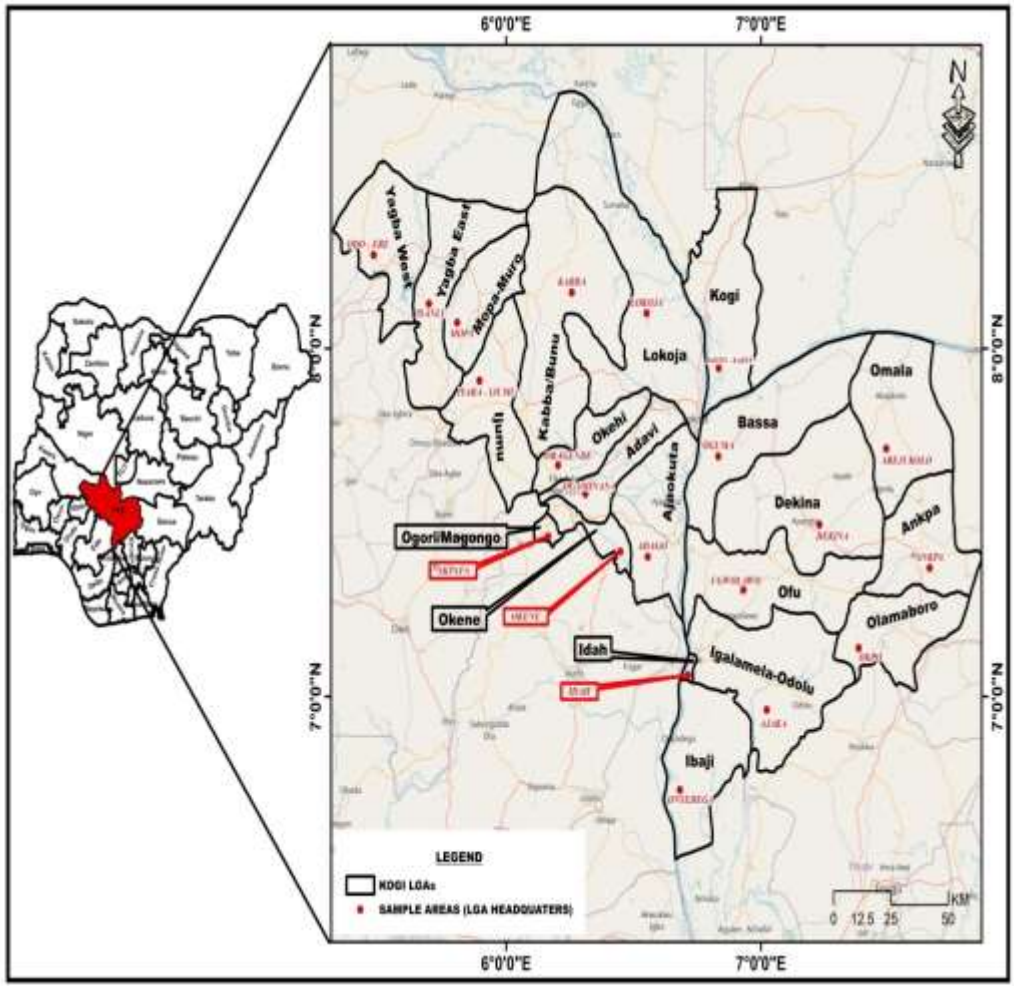


Figure 1: Map of Nigeria showing Kogi State// Kogi State showing selected sampled Study Area (SSUCs)
Source: GIS Lab, Department of Geography and Environmental Studies, Prince Abubakar Audu, University, Anyigba (2023)

Kogi State is located within the Western Basement complex and the Lokoja-Jakura Scrist belt, but in contact with the Western side of Anambra Basin (Ogunkolu, 2021). Kogi State is majorly drained by River Niger and Benue with it confluence at Lokoja. According to Koppen (1978) as quoted by Iweana (2012), Kogi State lies within the sub-humid tropical climate (Aw) which is normally referred to as local steppe climate. Kogi state falls within two vegetation belts; the woodland forest and the Southern guinea savannah. The state is predominantly made up of deeply weathered laterite soils majorly around the uplands and alluvial soils along the river valley and hydromorphic soils found around the extensive flood plains of the Niger and Benue river trough (Ogunkolu, 2021).The major socio-economic activity of Kogi State is predominantly farming. Others include mining, fishing, trading, artisans, and blacksmithing. Above all, substantial numbers of people are in the public/civil service, hospitality industry and educational sector. Kogi State is made up of several ethnic groups such as Igala, Ebira, Nupe, Kakanda, Bassa-Nge, Ogori Mangogo, Okun, Oworo, Yoruba and Bariba. Others are Idoma, Gbagyi, Bassa kwomo,Eggon, Hausa, Igbo and Fulani.

Methodology

The study adopted a survey research design. The type of survey research used is the descriptive cross-sectional survey research method. The population of the twenty (20) SSUCs selected was put at 517,385 based on the 1991 census. The population was projected to 2022 using 2.41% being 2022 annual population growth rate for Nigeria (https://www.macrotrends.net>NGA). The study population of the SSUCs for the study is 1,092,096. The data required employed persons in the urban services. Purposive sampling techniques was used to select the (20) local government headquarters in Kogi State. This is because the local government headquarters exhibits the attributes of SSUCs as defined in the study. Also, field check list was used to obtain information on urban services. The method of data collection was via the workforce (employment) approach. The data was collected from the field with the help of the research assistants for the SSUCs in the study area. The research assistants collate data on work force (employment). This workforce was collected from all the available urban services that employed workers in the SSUCs. The data on work force (employment) collected was analyzed using location Quotient (LQ) analysis. The (LQ) analysis is used to determine which sub-sector will be basic and non- basic in the study area. The formula used was:

$$LQ = \frac{LI/LT}{NI/NT}$$ Source: Adapted from Yogi et al(2019), Modified by Author, 2023

Where:
LI: Employment in service A in SSUC A
LT: Total employment in SSUC A
NI: Employment of service A in all the locations
NT: Total employment of all SSUCs
The decision rule is: LQ> 1 (Service is a basic sector), LQ<1 (Service is non-basic)

Results and Findings

The table below shows the results and findings of the study based on the data obtained from the field.

Table 1: Urban Service Employment Location Quotients of SSUCs in Kogi State

SN	Urban Service Employment	Location Quotient	Decision
1	Abattoir	0.94324	Non-Basic
2	Agro-chemical stores	1.1186	Basic
3	Bookshops	1.02341	Basic
4	Boutique	1.07943	Basic
5	Building material shops	1.04865	Basic
6	Car wash services	0.96527	Non-Basic
7	Carpentry workshops	1.07694	Basic
8	Cement stores	1.05581	Basic
9	Film viewing Halls	1.14255	Basic
10	Banks	0.52871	Non-Basic
11	Cyber café	0.95519	Non-Basic
12	Electrical/electronic shops	1.05961	Basic
13	Filling stations	0.96819	Non-Basic
14	Hair dressing/Barbing salons	0.91974	Non-Basic
15	Hotels/guest houses	1.01259	Basic
16	Laundry services	1.09583	Basic
17	Mechanic workshops	1.05196	Basic
18	Metal fabrication workshops	1.08608	Basic
19	Motor parks/garages	1.1151	Basic
20	Nursery/Primary/secondary schools	1.01761	Basic
21	Pharmaceutical/Medicine shops	1.13322	Basic
22	Post office/postal agency	1.19227	Basic
23	Hospital/health centers	0.99603	Non- Basic
24	Printing/computer business centers	1.07476	Basic
25	Vulcanizing workshop	1.03518	Basic
26	Photographer and studio	1.44048	Basic
27	Courts	1.59569	Basic
28	Betting/lottering centers	1.46923	Basic
29	Tea dealer	1.33771	Basic
30	Cold room for sale of fish and meat	1.43741	Basic
31	Drinking bars and lounge	1.3013	Basic
32	Water vendor sales point	1.45765	Basic
33	POS services	1.46538	Basic
34	Federal/state agencies	1.56374	Basic
35	Bakeries	1.63135	Basic
36	Provision stores	1.71205	Basic

37	Restaurants/itinerary restaurants	1.46816	Basic
38	Shoe maker	1.65947	Basic
39	Table/sachet water factory	1.06622	Basic
40	Tailoring shops	1.10092	Basic
41	Timber shops	1.07841	Basic
42	Phone charging shop	1.15173	Basic
43	Cooking gas store	1.09273	Basic
44	Rental services	1.13901	Basic

Source: Author's Field Work, 2024

Table 1 shows the urban service employment location quotients of the SSUCs in Kogi State. The table reveals that among the forty-four (44) urban services observed, only seven (7) urban services are non-basic sector. These non-basic sectors are Abattoir (0.9432), Car wash services (0.9652), Banks (0.5287) and Cyber café (0.9551). Others are Filling station (0.9681), Hairdressing/Barbing saloons (0.9197), Hospital/Health centres (0.9960). This is based on the decision rule that any location quotient greater than 1(LQ>1) is regarded as basic sector, while any location quotient less than 1(LQ<1) is regarded as non-basic sector.

More so, the results indicate that banks (0.5287) have the least non-basic sector/service. The relatively low location quotient recorded for banks (0.5287) may be associated with the spatial concentration of formal financial institutions in larger urban centres. Although financial inclusion has expanded considerably in Nigeria, access to formal banking services remains spatially uneven, with digital financial services and agent banking increasingly complementing conventional bank branches. The Central Bank of Nigeria (2023) notes the continuing importance of digital financial services and financial inclusion initiatives in expanding access to financial services, particularly among underserved populations. Thus, the relatively low LQ for banks in the SSUCs may reflect the limited concentration of conventional banking establishments compared with other locally oriented commercial services. The highest non-basic service is hospital/health centre (0.9960). This is as a result of increasing population and government recent interventions of providing these services in all the SSUCs in the state.

Similarly, the location quotients of hospitals/health centres (0.9960) and other selected social services suggest that these services are primarily oriented towards meeting the needs of the resident population rather than serving a wider external market. The near-one LQ for hospitals and health centres indicates that the provision of health services is approximately proportional to the population served. This interpretation is consistent with the broader recognition that basic urban services, including health, water, transport and other social infrastructure, are essential components of sustainable urban development and should be increasingly available in smaller and intermediate settlements (UN-Habitat, 2020; World Health Organization [WHO], 2021). Furthermore, the remaining thirty-seven (37) basic urban services have location quotient of greater than one. Table 1 shows that provision store (1.7120) has the highest value among the basic services. This is expected as provision stores are available in the SSUCs in Kogi State in

order to meet the daily needs of the population. The finding that provision stores recorded the highest LQ (1.7120) among the basic services is particularly significant. Provision stores are highly responsive to everyday household demand and are therefore likely to be widely distributed throughout SSUCs. Their high concentration indicates that these centres perform important retail and distributive functions for their resident populations and surrounding rural settlements.

The importance of small urban centres as local market and service nodes has been emphasized in recent African development literature, which recognizes that smaller towns connect rural producers and consumers with wider regional economies while providing employment and livelihood opportunities (World Bank, 2023). Likewise, the least basic service is hotel/guest houses (1.0125). This is expected as most residents prefer to go joints/road sides' bars for their relaxation and this is a common characteristic of most emerging urban centres. The implication of the findings for the SSUCs is that seven(7) non-basic services allows for circulation of income within the SSUCs, while thirty-seven(37) basic services generate income for residents of the SSUCs. This suggests that the SSUCs have potential for growth given the availability of selected physical infrastructure which will improve service delivery among the SSUCs in Kogi State. Equally, these urban services (basic and non-basic) in the SSUCs are dominated by the informal sector which is the major source of urban existence. The informal sector constitutes a vital part of developing countries' economy. It serves as a major source of employment and livelihood for the urban poor (Tariku,Tasew,Yodit & Berhanu,2023). Singh (2020) asserted that the informal economy plays a key role in ensuring economic growth and social well-being in developing countries. In particular, in Africa, more than 60% of the urban population, as well as almost 80% of the non-agricultural population, are employed in the informal economy. Therefore, adequate infrastructure provision such as good road network, telecommunication mast and transformer will enhance the growth of the SSUCs as it has economic business/investment and social impact on the SSUCs. However, inadequate provision of infrastructure will hinder the growth of these SSUCs

Conclusion and Recommendation

The study looked at the economic base of small-sized urban centres (SSUCs) in Kogi State through the classification of urban services into basic and non-basic sectors using Location Quotient analysis. The findings indicate that the selected SSUCs possess a different economic base comprising a wide range of urban services. Out of the 44 urban services examined, 37 were identified as basic sectors, while only seven were classified as non-basic sectors. The predominance of basic services shows that the SSUCs have considerable capacity for generating income and supporting employment through activities that serve markets beyond their immediate local circulation. Provision stores recorded the highest Location Quotient among the basic services, reflecting their relevance in meeting the daily needs of residents. Conversely, banks recorded the lowest Location Quotient among the non-basic services, while hospitals and health centres had a value close to one. Therefore, the SSUCs in Kogi State have significant potential for economic growth and urban development. However, it depends partly on adequate physical infrastructure and improved service delivery. Inadequate infrastructure, particularly

roads, telecommunications facilities and electricity, may hinder the expansion of economic activities and reduce the capacity of these centres to perform their urban functions effectively.

Based on the findings and conclusion of the study, the following recommendations are made:

1. Government should improve the provision and maintenance of roads, electricity, telecommunications facilities and other basic infrastructure in the SSUCs.
2. Government and relevant agencies should provide an enabling environment through accessible credit facilities, business training, market facilities and appropriate regulatory support.
3. Local and state governments should provide and maintain appropriate market spaces, shops, storage facilities and other commercial infrastructure to support the numerous basic services operating in the SSUCs.
4. Greater access to banking and other financial services should be encouraged in the SSUCs.
5. Although hospitals and health centres were classified as non-basic services, their importance to the growing population of the SSUCs cannot be overlooked. Government should therefore improve healthcare infrastructure, staffing and equipment in these centres.
6. Local government authorities should incorporate the economic base of SSUCs into their development plans.
7. Entrepreneurship development programmes should be introduced or strengthened to equip residents, particularly youths, with skills needed to establish and manage small businesses in the SSUCs.

References

Admasu, E., Kenate, W., & Emnet, Y. (2019). Informal sector and its contribution to the livelihood of the urban poor in Hossana town, southern Ethiopia.Jimma University. *https://repository.ju.edu.et/handle/ 123456789/5270*

Asmamaw,E (2014), Some controversies on informal sector operation in Ethopia: Problems and prospects for development for development strategies in Addis Ababa. *Semantic scholar*

Central Bank of Nigeria. (2023). *National financial inclusion strategy 2022–2024*. Central Bank of Nigeria.

Engida, E., & Solomon, M. (2014). Analysis of the changing functional structure of major urban centers of Ethiopia. *Ethiopian Journal of Business and Economics, 4*(2). https://doi.org/10.4314/ejbe.v4i2.2

Fourie, F. C. v. N. (Ed.). (2018). *The South African informal sector: Creating jobs, reducing poverty*. HSRC Press.

https://www.macrotrends.net>NGA.

Iweana .O.A(2012). Essential Geography for Senior Secondary Schools 6th ed. Tonad publishers Ltd Ogun. Nigeria

Ogunkolu, A.B. (2021). A geochemical analysis of ground water quality under different geological formations in Kogi State, Nigeria. An unpublished Ph.D thesis of Department of Geography and Environment Management, NDA, Kaduna

Singh, S. N. (2020). Role of street vending in urban livelihood (in case of Mettu town). *SocioEconomic Challenges, 4*(1), 82–101. https://doi.org/10.21272/sec.4(1).82-101.2020

Tariku, L., Tasew, T., Yodit, A. M., &Berhanu, G. (2023). The urban informal sector as a means of livelihood improvement among youth: Evidence from Hawassa city, Ethiopia. *CogenT Economics & Finance, 11*(1), 2185346. https://doi.org/10.1080/23322039.2023.2185346

Thwala, S., Masiya, T., &Lubinga, S. N. (2023). Contribution of the informal sector towards sustainable livelihoods: Evidence from Khayelitsha Township, Cape Town. *International Journal of Sociology and Social Policy, 43*(13–14), 90–105. https://doi.org/10.1108/IJSSP-11-2022-0289

UN-Habitat. (2020). *World cities report 2020: The value of sustainable urbanization*. United Nations Human Settlements Programme.

World Bank. (2023). *Africa's cities: Opening doors to the world*. World Bank.

World Customs Organization. (2015). *Informal sector*. World Customs Organization.

World Health Organization. (2021). *Global report on health equity for persons with disabilities*. World Health Organization.