

Impact of Rural-Urban Migration on Growth of Urban Informal Sectors in Alimosho Local Government Area Lagos State, Nigeria

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ABSTRACT

This study examines the impact of rural-urban migration on growth of urban informal sector in Alimosho local government area, Lagos state, Nigeria. Data were collected through informal interview and structured questionnaire administered to a sample of 400 household of which 348 questionnaire were correctly filled and returned. To analyze the data collected from the respondents, the data was coded and rated on 5 point likert scale and multiple regression analysis was used in testing the hypothesis. The result shows that rural-urban migration has positive and statistically significant impact on growth of urban informal sector. In additions, AGGCD and HEY stated in the model as control variables equally have positive and statistically significant impact on the growth of urban informal sector (GURIS). Similarly, the result shows that educational status of the rural-urban migrants has positive but statistically insignificant impact on growth of urban informal sector. Based on the findings, the study therefore recommends that Lagos state government should formulate policy that will direct and encourage the inflow of rural-urban migrants toward informal sector by providing necessary infrastructure, tax rebate and incentive inform of accessibility to soft loan with low interest rate for the migrants who resolve to work in the informal sector of the economy. Furthermore, policy that will encourage investors and entrepreneurs in the informal sector should be implemented. This includes; reduction in company tax holding, low interest rate to investors and entrepreneurs, easy of doing business, infrastructural development among others that will directly or indirectly create conducive business environment for informal sector to thrive.

Keywords: Rural-urban migration, Inflationary pressure, urban unemployment.

INTRODUCTION

Rural-urban migration has been historically dated back to the 1880's when industrialization paved way for massive exodus of out-migration from rural to urban areas. Some theories argued that surplus labour in the rural areas are required in the urban areas to fill the deficit in the urban industry and, that expected higher wages in the urban industry will compensate for the zero or marginal productivity in the rural areas (Lewis, 1954, Lee, 1966, and Todaro, 1971).

However, the relevance of these theories in this modern day is a subject of debates among the academia, stakeholders and government. This is due to the fact that the reality on ground negates this theories going by the increasing rate of urban unemployment couple

with movement of people from urban to rural areas. Although, this situation have not deter rural-urban migration from upward trend as observed in Nigeria, particularly in Lagos metropolis. A United Nations report projects that the Lagos city's population by 2020 will hit 25.7 million; which mean that an estimated 1200 people will enter Lagos per day.

Obviously, late 1958s and early 1970s till date have seen a surge of rural-urban migration in all parts of the states capitals and some towns in Nigeria, mostly, Lagos state. With the effervescent economic and commercial activity of Lagos, couple with the ever busy sea port, airport, and land border with other nations that allow international trade with other countries, friendly business environment that allow investment to strive among other pull factors, the state have been recording upward trend in rural-urban migration leading to urbanization and urban growth. This phenomenon has given birth to other economic challenges, ranges from urban unemployment, sustained increase in the general price level of goods and services, high cost of living, high crime rate, pressure on infrastructure, pollution, over urbanization among others (Abbass, 2012).

Studies have shown that the rate of youth rural-urban migration when compare to the old is higher (Birhanu & Nachimuthu, 2017; Wesen,2015; Bezu & Holden, 2014 and Morfor, 2011). According to Njoku and Chikere(2015),youths between the age brackets of 15 – 38 years mostly migrate from the rural communities to the urban centers as a result of pull and push factors, which include education, economic opportunities, scarcity of farmland in the highlands, and lack of non-farm employment opportunities in the rural areas.

Empirical studies in the migration literature indicate that the motive behind many migrations is often search for improved welfare. However, it sometimes turn out that rural migrants become more susceptible and less competitive in urban areas because of lower endowment in education, experience, financial capital and social network (Bezu& Holden, 2014). Hence, those migrants that could not find job in the formal sector turn to the informal sector for survival.

According to the National Bureau of Statistics (2016), the unemployment rate in Nigeria increased to 14.2 percent in the last quarter of 2016 from 10.4 percent a year earlier. It is the highest unemployment rate since 2009 as the number of unemployed went up by 3.5 million to 11.549 million. The unemployment rate was higher for persons between 15-24 years old (25.2 percent), women (16.3 percent) and in rural areas (25.8 percent). In the previous quarter, the unemployment rate was 13.9 percent, and averaged 9.76 percent between 2006 and 2016. It was at the pick in the fourth quarter of 2009 at 19.70 percent, and a record low of 5.10 percent in the fourth quarter of 2010. Studies have shown that in absent of employment in the formal sector, rural-urban migration find rest in self-employment in the informal sector.

Informal sector (grey economy) could be referred as part of an economy that is neither taxed, nor monitored by any form of government. They are not included in GNP and GDP of a country. People who earn a living through self employment in most cases are not on payrolls, and thus are not categorized under income taxed.

Abimbola (2014), reports that rural-urban migration to Lagos metropolitan is unabated despite the high rate of urban unemployment, urban poverty, urban crime and high cost of living in the Lagos urban areas. The reason for this situation is as a result of the

rural-urban migrants' exploration of opportunities available in the informal sector. Hence, it is imperative to find out whether there is relationship between rural-urban migration and the growth of the informal sector. Giving the foregoing, the challenge of this study is to critically examine the impact of rural-urban migration on the growth of the informal sector in Alimosho local government area Lagos state, Nigeria.

LITERATURE REVIEW

Migration is a multifaceted phenomenon which in general involves the movement of people from one place to the other. It is a change of residence either permanently or temporarily (Wondimagegnhu, 2012). In the same vein, Rural-urban migration is the process of people moving from rural areas to cities (Birhanu & Nachimuthu, 2017). Rural-urban migration is a form internal migration which means a movement within a country and which stays in contrast to international or intercontinental migration. In addition, it refers to the movement of people from the countryside particularly the rural areas into the cities, often the metropolitan cities of a country (Fischer, 2009). Rural-urban migration has been historically dated back to the twentieth century (Bhattacharya, 1993 cited in Wondimagegnhu, 2012; Marmara & Usman, 2015). The reasons for migration can be economic, social, political or environmental.

Migration is classified into internal and international migration. Internal migration is when people migrate within the same country or region while, international migration is when people migrate from one country to another. Migrations usually happen as a result of either or combination of push and pull factors.

There are several factors that causes rural-urban migration in developing countries similar to that of international migration categorize earlier mentioned. They can be seen as a simultaneous analysis of factors that force migrants out of rural areas (push-factors) and factors that attract migrants to urban areas (pull factors). Factors and determinants of migration are rather diverse and they can be split up in economic and non-economic reasons (Aydiko, 2015; Ezra & Tesfaye, 2011; Fischer, 2009). Economic push factors of rural out migrant includes; unemployment or underemployment in rural areas, low wages and no assets, as well as land tenure system, which is sometimes due to inheritance systems that split the land among a large number of people, making it less productive.

According to Chakraborty (2014), there is a general tendency for the rural people to migrate to the nearby towns. Rural distressed people, mostly poor, being unable to cope up with the existing employment structure of the rural society finds it a better option to migrate to the urban centers. On the other hand, those rural people who are relatively economically better off tend to migrate to the urban areas in search of a better standard of living. So it is pretty clear from the fact that there are two perspective groups of migrants from rural-urban though their needs are different. As a result of that, the migration framework should be quite different for both these groups.

The determinants of migration of first group mainly depends on the factor of job availability without being much concern about the qualitative aspect of that job, while target of the second group of migrants is the availability of basic amenities and standard job, mainly in the urban formal sector. The rural poor being mainly unskilled look for the jobs

in the informal sector. On the other hand relatively better off rural people having higher degree of education compare to the rest of the rural people, look for the skilled formal sector jobs. So there is a clear divide in the searching pattern of the migrants. One group searches for the urban formal sector job while other primarily targets the urban informal sector jobs with an intension to shift to the urban formal sector jobs by a process of 'learning-by-doing'. As a result, there have been two kinds of migration flows in the urban areas from the rural areas either to urban formal or to urban informal sector.

Theoretically, Lewis (1954), in his work on 'economic development with unlimited supplies of labour' analyzed the labour market dualism and the structural difference between the subsistence sector and capitalistic sector in developing economies. The two sectors in the Lewis representation were named as subsistence and capitalistic sectors originally and then they were renamed as traditional and modern sectors.

The model, which takes to account the context of developing countries, explains a dual economy model of economic development with an assumption that there exists surplus labour in the traditional (agricultural) sector which is to be re-allocated to fill the rising modern (urban) sector labour demands. The traditional agricultural sector is characterized by low wages and very low/zero marginal productivity of workers. Each family member in the traditional agriculture sector earns an average product of labour, i.e. the wage in agriculture $(WA) = TPLA / LA$ (total product of labour in the agriculture sector (TPLA) divided by the total agricultural labour of the rural population (LA)).

The dual economy model, thus, suggests that agriculture provides the necessary resources for industrialization. The model also describes that rural-urban migration facilitates investments in modern labour-intensive industries, to make use of the rural labour and circumvent disguised unemployment in the traditional sector. The model in general explains the importance of labour at initial stage of economic development in developing economies (because of assumed scarcity of capital and the abundance of labour).

Although the LRF model has a profound explaining power of economic development in the field of development economics, there have been still some vagueness especially with respect to the concept of surplus labour, wage determination and the dynamics of labour flows between the traditional agricultural sector and the modern manufacturing sector (Wang & Piesse, 2009).

A critical review of Lewis migration theory in the context of Nigeria revealed that the pattern and trend of rural-urban migration is not fully in agreement with the Lewis theory of rural-urban migration. In the first instance, there is no surplus of labour anywhere in agriculture sector in the rural areas, following the discovery, production and oil boom in 1956, 1958, and 1970s respectively which resulted to mass exodus of peoples from rural areas to the urban areas, this explained the increase in the price of food and raw-material at that period. Logically, economic development only occurs when there is balance between rural and urban areas. In second instance, the upsurge of urban unemployment suggested that urban industries cannot absorbed the large inflow from rural areas when it failed to provides job for the urban dwellers, again wage differential exist within the homogenous industry and cannot be the major factor that motivates rural-urban migration in Nigeria.

Furthermore, the issue of rural-urban migration and urban unemployment was raised by Todaro (1969), and then by Harris and Todaro (1970). The expected income model of migration was designed in HT model in the presence of labour market imperfections and an assessment of the probability to get an urban job. The HT model, postulate that, migration responds to urban-rural difference in expected income rather than actual earnings. The assumption in the Todaro and Harris-Todaro model is that, migration is primarily an economic phenomenon. Migrants are assumed to consider the various opportunities available in the urban sector. However, the theory also explains that, rural-urban migration can exist despite low opportunity in the major towns. The HT model argues that rural-urban migration is stimulated primarily by individual rational economic calculations of relative benefits and costs. In the Harris-Todaro model, more workers search for formal sector jobs than are hired. Migrants who are not hired end up entering the urban informal sector or remain unemployed.

In relating this Harris-Todaro model to Nigeria, contrary to Harris-Todaro model, the recent happening in Nigeria shown that it seem that labour is more costly in the rural areas today than in urban centers, this is likely due to outflow of labour force to the city, as a result rural areas are left with few workers demanding higher wages. Consequently, inflow of rural migrants to the urban centers have contributed to massive urban unemployment because, there are many youth that are unemployable. Many migrants did not even earn any income, subsequently, constitute to urban poor. This situation has leads to a reversal, workers are now moving from urban to rural areas to work. Moreover, there are wage differential in between similar urban industries, this implies that expected wage differential approach between the rural agriculture sector and the urban manufacturing sector is not in any way determine rural-urban migration. In addition, there are several non-economic factors that cause rural-urban migration.

Empirically, several studies reveal that there exists a linkage between rural-urban migration and informal sector. For instances, Chakraborty (2014), examines migration and urban informal sector in West Bengal. The study adopted survey technique with the sample survey conducted through the Multi-Stage Sampling Technique. Multiple regression analysis with aid of SPSS software was used for the analysis. The findings of the study revealed that there are deep inter-linkages between rural-urban migration and development issues. More so, the findings revealed that urban informal sector has a greater impact on rural-urban migration. In the same vein, rural-urban migration has its effect on urban non-farm sector. Since the study was conducted in India, it is necessary to test the generality and acceptability of the findings in the context of Nigeria using the same methodology with inclusion of other explanatory variables not used in the study, but seem to be of important in study the relationship between rural-urban migration and growth of urban informal sector.

Bezu and Holden (2014), examines the relationship between rural-urban youth migration and informal self-employment in the urban centers in Ethiopia. The study used both qualitative and quantitative analysis, including econometric methods. The findings of the study indicate that informal self-employment attract youth migrants, mainly because it has relatively less resource requirement than other activities. Almost all of the randomly selected youth engaged in informal self-employment in Addis Ababa and Hawassa were

migrants. Furthermore, the study revealed that there is positive relationship between rural-urban youth migration and informal self-employment but, the not tell us the significant impact of rural-urban migration on the informal sector of the urban.

Misra, and Alam (2014), examines urban informal sector and migrants in respect to the socio- economic aspects of migrant labourers with respect to their livelihoods, wages, working conditions in the state of Uttar Pradesh, India. The study adopted literature reviewed content analysis of past empirical findings. The findings of their study revealed that there is significant relationship between urban informal sector and the socio- economic aspects of migrant labourers with respect to their livelihoods, wages, working conditions in the state of Uttar Pradesh, India. However, the methodology adopted in this study seems not to be adequate, this is because rural-urban migration is a complex phenomenon that are subject to environmental changes and required survey research design also as to collect data on the present situation and not only to relied on the content analysis.

Ogunrinola (2011) examines the role of an urban informal transport sub-sector; the motorcycle taxis (popularly called 'okada'), towards the provision of self-employment and income-generating opportunities for many of the urban unemployed in South West Nigeria. The study adopted survey research design methodology. The findings of the study revealed that the informal sector is a high employer of young school leavers. However, the study did not show the relationship between rural-urban migration and the growth of informal sector neither does it tell us the significant impact of rural-urban migration on the informal sector of the urban economy.

Xin (2001) investigates the role the urban informal sector plays in this rural-urban movement. The study used a survey data set of 1504 rural-urban migrants in one Chinese city. The study differentiates between the wage-earner and self-employed groups within the informal sector. Furthermore, the finding of the study reveals that the two groups in the informal sector have played different roles in attracting migrants when compared to the formal sector. While the wage-earner group may provide temporary employment opportunities to migrants, the self-employed group appears to be a desirable employment choice. In addition, the finding of the study reveals that income and other benefits that both the wage-earner and the self-employed groups in the informal sector are better off than those who work in formal sector. However, the inadequate of this study is that it did not show the impact of rural-urban migration on the urban informal sector.

RESEARCH METHODOLOGY

The study adopts a survey research design; specifically both quantitative and qualitative mixed approach research design was employed. The target population for this study comprises all the entire household migrants found in the informal sector in the areas of study who lived in Alimosho local government area (LGA) since 1999 up to June, 2017; the choice of this area is based on the observed upsurge of rural-urban migration and heavy economic activities, as well as perceived growth in informal sector. The sample population for this study is based on the projected population figure published by National Population Commission of Nigeria (web), National Bureau of Statistics (web) 2016. The Alimosho LGA population projected figure stood at 1,817,200. However, for the purpose of realistic

and thorough research, simple size determination was adopted for effective field work coverage. Using, Taro Yamen (1971) formula, presented as follows;

$$S = \frac{N}{1 + N(ME^2)}$$

Where: 'S' is the desired sample; 'N' is the population size; and 'ME' is the margin of error allowed in determine the sample size:

$$S = \frac{1,817,200}{1 + 1,817,200(0.05^2)} = s = \frac{1,817,200}{1 + 1,817,200(0.0025)} = 399.9 \text{ approximately, } 400.$$

The study sample size is 400 respondents as shown above, thereafter; snowball sampling technique was adopted in administering the structured questionnaire to the respondents in the study area based on accessibility and willingness of the respondents to participate in the study. More so, a total numbers of fifty migrants who are willing to participate in interview were randomly selected for the study.

To collect primary quantitative data for the study, a total numbers of 400 questionnaires were administered to the respondents but only 348 questionnaires represented 87% was correctly filled and returned. Hence, the study data analysis is based on the percentage returned. Quantitative data were scored on a 5-point Likert-type scale while, the qualitative data were systematically examined, analyzed, coded, and integrated into the main data. Both quantitative and qualitative data were triangulated and analyzed using the descriptive statistics (frequency, percentage and mean), and multiple regression analysis with the help of SPSS version 20 software package.

The model specification adopted in this study follows Teilhet-Waldorf and Waldorf (1983), the model stated that urban growth is a functions of migration (especially rural-urban type). Thus, this study has tried to represent growth of urban informal sector as a function of rural-urban migration, aggregate consumption demand and household earned income in the first empirical model specification and in the second empirical model specification it represent growth of urban informal sector as a function of educational levels of the rural-urban migrants, aggregate urban labour supply in two different models.

The two models can be summarized as follows.

Model 1

$$GURIS_i = a_0 + \sum b_0 X_i + \mu_i$$

X_i = set of explanatory variables.

μ_i = disturbance term.

For simplicity, the set of explanatory variables X_i in relations to dependent variable the model as follows:

$$GURIS_i = f(RUM, AGGCD, HEY) \dots\dots\dots 1$$

$$GURIS_i = \alpha + \beta_1 RUM + \beta_2 AGGD + \beta_3 HEY + \varepsilon \dots\dots\dots 2$$

Model 2 similarly,

$$GURIS_i = f(EDUL, RUM, AGGURLS) \dots\dots\dots 3$$

$$GURIS_i = \alpha + \beta_1 EDUL + \beta_2 RUM + \beta_3 AGGURLS + \varepsilon \dots\dots\dots 4$$

Where:

GURIS_i = Growth of Urban Informal Sector.

RUM = Rural-Urban Migration.

AGGCD = Aggregate Consumption demand.

HHY = Household Earned Income.

AGGURLS = Aggregate Urban Labour supply.

EDUL = Educational level

α = intercept β_1, β_2 and β_3 are the parameters estimate

ε = Measurement error

RESULTS AND DISCUSSION

This section presents empirical analysis of returned data, results and discussions. The results of data analysis are reported in the following subsections. Descriptive statistics help to summarize the socio-demographic characteristics of the respondents captured only in the model specification stated in section 3. The results of the analysis are reported in table 1 to 2 as follows.

Table 1. Educational Status of the Respondents

Qualification	Frequency	Percent	Valid Percent	Cumulative Percent
No formal education	60	17.2	17.2	17.2
Primary	120	34.5	34.5	51.7
Valid Secondary	141	40.5	40.5	92.2
Tertiary Education	27	7.8	7.8	100.0
Total	348	100.0	100.0	

Source: SPSS Statistics 20 Outputs from study data

Table 1 presented educational status of the respondents. The results showed that the greater percentage of the participants have secondary education qualification with 40.5% response rate, followed by the respondents that have primary education with response rate of 34.5% furthermore, 7.8% respondents attained tertiary education. Only 17.2% respondents have no formal education. This result revealed that majority of the respondents have education thereby are not ignorant of the subject matter.

Table 2. Average Monthly Income of the Respondents

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than ₦10,000	21	6.0	6.0	6.0
> ₦10,000 < ₦20,000	175	50.3	50.3	56.3
> ₦20,000 < ₦30,000	81	23.3	23.3	79.6
Valid > ₦30,000 < ₦40,000	30	8.6	8.6	88.2
> ₦40,000 < ₦50,000	21	6.0	6.0	94.3
₦50,000 and above	20	5.7	5.7	100.0
Total	348	100.0	100.0	

Source: SPSS Statistics 20 Outputs from study data

Table 2 presented respondents average monthly earned income. The results showed that greater percentages of the respondents average monthly earned income is above ₦10,000 but less than ₦20,000 with response rate of 50.3% follows by those who earned above ₦20,000 but less than ₦30,000 with response rate of 23.3% while, 8.6% earned above ₦30,000 but less than ₦40,000 furthermore, 6.0% earned less than ₦10,000 and above ₦40,000 but less than ₦50,000 respectively Only 5.7% earned ₦50,000 and above. This result indicates that majority of the respondents were low income earner. The implication of this result is that the low income earners are commonly found in the urban informal sector.

Table 3a: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.971 ^a	.942	.941	.27077

a. Predictors: (Constant), HEY, AGGCD, RUM

Table 3b: ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	408.651	3	136.217	1857.979	.000 ^b
Residual	25.220	344	.073		
Total	433.871	347			

a. Dependent Variable: GURIS

b. Predictors: (Constant), HEY, AGGCD, RUM

Table 3c: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.229	.060		-3.821	.000
RUM	.457	.028	.481	16.433	.000
AGGCD	.507	.031	.473	16.375	.000
HEY	.085	.013	.094	6.547	.000

a. Dependent Variable: GURIS

Source: SPSS Statistics 20 Outputs from study data

Table 3a to c presented the multiple regression analysis on the significant impact of rural-urban migration on the growth of urban informal sector in Alimosho LGA, Lagos state, Nigeria. The table 3a presents the model summary. The R² of 0.942 points to the fact that about 94 percent increase in the growth of urban informal sector (GURIS) can be explained by the regressors, that is, 94% increase in growth of urban informal sector is

explain by increase in rural-urban migration and other explanatory variables while about 6% of the growth in the in formal sector can be explained by others factor outside this model. The adjusted R^2 is very robust and makes a good fit. This shows a very strong explanatory power of the regressor in explaining changes in the dependent variables. In the ANOVA table, the F-value of 1857.979 indicate the overall model is statistical significant with Sig-value of 0.000, this explains the joint impact of the explanatory variables on the predictor.

Table 3c present the coefficients of the explanatory variables. The results show that one percent unit increase in RUM will lead to 0.457% increase in the growth of the urban informal sector (GURIS). Again, one percent unit increase in AGGCD will effect a 0.507% change in GURIS. Furthermore, one percent unit increase in HEY will cause 0.085% change in GURIS. Also, all the t-calculated value is greater than beta value. The Sig value of 0.000 in all the explanatory variables less than 0.05 confident levels suggests that RUM have positive and statistically significant impact on the GURIS. Thus, hypothesis one is therefore rejected and alternate hypothesis is accepted. This finding is in agreement with finding of (Chakraborty, 2014) which posited that rural-urban migrations have positive and statistically significant impact on the GURIS in West Bengal. In additions, AGGCD and HEY equally have positive and statistically significant impact on the GURIS in Alimosho LGA, Lagos state, Nigeria.

Test of Hypothesis two: Educational status of the rural-urban migration does not have any significant impact on the growth of urban informal sector in Alimosho LGA, Lagos state, Nigeria.

Table 4a Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
I	.955 ^a	.913	.912	.33142

a. Predictors: (Constant), AGGURLS, EDUL, RUM

Table 4b ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.	
I	Regression	396.087	3	132.029	1202.037	.000b
	Residual	37.784	344	.110		
	Total	433.871	347			

a. Dependent Variable: GURIS

b. Predictors: (Constant), AGGURLS, EDUL, RUM

Table 4c Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
I	(Constant)	-.516	.110		-4.705	.000
	EDUL	.015	.047	.012	.319	.750
	RUM	.690	.037	.726	18.854	.000
	AGGURLS	.375	.039	.259	9.677	.000

a. Dependent Variable: GURIS

Source: SPSS Statistics 20 Outputs from study data

Table 4a to c presented the multiple regression analysis on the significant impact of educational status of the rural-urban migration (EDUL) on the growth of urban informal sector (GURIS) in Alimosho LGA, Lagos state, Nigeria. The table 4a presents the model summary. The R^2 of 0.913 calculated points to the fact that about 91 percent of the total changes in the growth of urban informal sector (GURIS) is explained by the regressors that is, 91% increase in GURIS is explain by increase in all explanatory variables captured in the model while the 13% remain can be explain by others factor outside this model. The coefficient of multiple determinations, that is, the adjusted R^2 is very strong at 91%. This shows a very strong explanatory power of the regressor in explaining changes in the dependent variables.

In table 4b ANOVA table the F-value of 1202.037 indicate the overall model is statistical significant with Sig-value of 0.000, this explains the joint impact of the explanatory variables on the predicator. Table 4c present the coefficients of the explanatory variables. The results show that the education level of migrant has a positive but statistically insignificant impact on the growth of the informal sector. With a coefficient of 0.015, it implies the one percent increase in education (EDUL) level of migrants; bring about a 0.015% change in GURIS increase.

Furthermore, rural-urban migration has a positive and statistically significant impact on the growth of the informal sector in Lagos state, particularly Alimosho LGA. With a coefficient of 0.609, it implies that an increase of a unit in rural-urban migration (RUM) will lead to 0.69% increase in GURIS. Also, with a t-statistics of 9.677, the aggregate urban labour supply (AGGURLS) has a positive and statistically significant impact on the growth of the urban informal sector. With a coefficient of 0.375, it implies the tendency for GURIS to change by about 0.375% with a percentage change in AGGURLS. The Sig value of 0.750 greater than 0.05 confident levels suggests that educational status of the rural-urban migrants (EDUL) have positive but statistically insignificant impact on the GURIS in the study areas. Thus, the null hypothesis two is therefore accepted and alternate hypothesis is rejected. The finding of this study negates the outcome of Ogunrinola (2011) that posited that informal sector is a higher employer of the school leavers. The finding of this study suggests that the growth of urban informal sector is not necessarily dependent on the educational qualifications rather it is more of skill acquisitions.

CONCLUSION AND RECOMMENDATIONS

The objective of this study is to examine the impact of rural-urban migration on the growth of urban informal sector as well as to examine the impact of educational status of rural-urban migrants on the growth of urban informal sector in Alimosho local government areas of Lagos state, Nigeria. The finding of this study shows that rural-urban migrations have positive and statistically significant impact on the growth of urban informal sector (GURISE). The study further reveals that educational status of rural-urban migrations has positive but statistically insignificant impact on growth of urban informal sector (GURISE). Hence it can be concluded that rural-urban migration move in the same

direction with the growth of urban informal sector (GURISE), this implies that the higher the inflows of rural-urban migration the higher the growth of urban informal sector (GURISE).

Base on the findings of this study, it is therefore recommended that Lagos state government should formulate policy that will direct and encourage the inflow of rural-urban migrants towards informal sector by providing necessary infrastructure, tax rebate and incentive inform of accessibility to soft loan with low interest rate for the migrants who resolve to work in the informal sector of the economy. Furthermore, formulate policy that will encourage investors and entrepreneurs in the informal sector to accommodate the inflow of rural-urban migration. This includes; reduction in company tax holding and value added tax, low interest rate to investors and entrepreneurs, easy of doing business, infrastructural development among others that will directly or indirectly create conducive business environment for informal sector to thrive. In addition, stakeholders in the informal sector should play down on educational qualification since this have little impact on the growth of the urban informal sector.

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