**compare and contrast two theories of urban economic development (e.g Central place theory and Economic based theory). Explain how these theories can be applied to analyze the growth and development a Nigerian city of your choice.**

**discuss the concept of agglomeration economies and its relevance to urban economic development in Nigeria and provide examples of how agglomeration economies have contributed to the growth of SPECIFIC industrIES or citIES in nigeria**

**an assignment**

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**Central Place Theory**

Central Place Theory was developed by Walter Christaller in the 1930s. It explains the distribution, size, and number of settlements in an urban system. The key points in this theory include:

* **Hierarchy of Places:** Settlements are arranged in a hierarchical order, with larger, more important cities offering a greater variety of services and goods, and smaller towns providing fewer, more specialized services.
* **Hexagonal Market Areas:** The theory assumes that each central place serves its surrounding area, creating hexagonal market areas to avoid overlapping and gaps.
* **Range and Threshold:** Range refers to the maximum distance consumers are willing to travel for goods and services, while threshold is the minimum population required to support a service.

**Economic Base Theory**

Economic Base Theory focuses on the economic activities that drive growth and development in a city. The key points in this theory include:

* **Basic and Non-Basic Activities:** Economic activities are divided into basic (export-oriented, bringing income from outside) and non-basic (local-oriented, serving the local population).
* **Multiplier Effect:** Basic activities stimulate the growth of non-basic activities, creating a multiplier effect where new income generates additional economic activity.
* **Dependency on External Factors:** The growth of a city is heavily influenced by its ability to attract and maintain basic industries that bring external revenue.

**Comparison and Contrast**

* **Focus:**
  + Central Place Theory focuses on the spatial organization and hierarchical structure of urban areas.
  + Economic Base Theory centers on the economic activities that drive urban growth.
* **Key Concepts:**
  + Central Place Theory uses concepts like range, threshold, and hierarchical order of services.
  + Economic Base Theory uses concepts like basic/non-basic activities and the multiplier effect.
* **Determinants of Growth:**
  + Central Place Theory emphasizes location and the distribution of services.
  + Economic Base Theory emphasizes the importance of economic activities, particularly those that bring in external revenue.
* **Applications:**
  + Central Place Theory is useful for understanding the spatial organization and planning of urban areas.
  + Economic Base Theory is useful for identifying key industries and activities that drive economic growth.

**Application to a Nigerian City**

**Analyzing the Growth and Development of a Nigerian City: LAGOS**

1. **Central Place Theory:**
   * **Hierarchy and Service Distribution:** a Nigerian city like Lagos can be analyzed in terms of its role as central places within the urban hierarchy. Lagos, as the economic hub, offers a wide range of services and has a large market area. Smaller towns and cities provide fewer, specialized services.
   * **Planning and Infrastructure:** The theory can guide urban planners in Nigeria to develop infrastructure and services in a balanced manner, ensuring smaller towns are adequately connected to Lagos.
2. **Economic Base Theory:**
   * **Identifying Key Industries:** For a city like Lagos, key basic industries might include finance, trade, and manufacturing. By focusing on these industries, policymakers can stimulate further growth through the multiplier effect.
   * **Economic Diversification:** Cities can use this theory to identify potential new industries to attract, reducing dependency on a single economic sector and fostering sustainable growth.

**Example: Lagos**

* **Central Place Theory Application:**
  + **Hierarchical Role:** Lagos, being at the top of the urban hierarchy in Nigeria, attracts people from across the country for its extensive services and job opportunities.
  + **Market Area:** The city serves a large market area, influencing the development patterns of surrounding towns and cities.
* **Economic Base Theory Application:**
  + **Basic Activities:** Key industries in Lagos include finance, port activities, and technology. These industries bring in external income, driving the city's growth.
  + **Multiplier Effect:** The success of basic industries supports non-basic activities such as retail, healthcare, and education, leading to overall economic expansion.

By combining insights from both theories, urban planners and policymakers in Nigerian cities can develop comprehensive strategies for sustainable growth and development.

**discuss the concept of agglomeration economies and its relevance to urban economic development in Nigeria and provide examples of how agglomeration economies have contributed to the growth of SPECIFIC industrIES or citIES in nigeria**

**Concept**: Agglomeration economies refer to the benefits that firms and individuals obtain by locating near each other. These benefits arise from the proximity of firms in the same or related industries, leading to increased efficiency, innovation, and productivity. The main types of agglomeration economies are:

1. **Localization Economies**: Benefits that accrue when firms in the same industry cluster together, leading to specialized labor markets, suppliers, and knowledge spillovers.
2. **Urbanization Economies**: Benefits that arise from the general agglomeration of firms and industries in a city, leading to a diversified labor market, improved infrastructure, and greater opportunities for innovation and collaboration.

**Key Benefits**:

* **Reduced Transportation Costs**: Proximity reduces costs for transporting goods, services, and labor.
* **Labor Market Pooling**: A large pool of workers with industry-specific skills attracts more firms.
* **Knowledge Spillovers**: Firms benefit from shared knowledge and innovation through informal and formal networks.
* **Specialized Suppliers and Services**: Clustering attracts specialized suppliers and services, improving efficiency and reducing costs.

### Relevance to Urban Economic Development in Nigeria

Agglomeration economies are highly relevant to urban economic development in Nigeria due to the following factors:

1. **Economic Diversification**: Agglomeration can promote diversification by attracting various industries to urban areas, reducing dependency on a single sector (e.g., oil).
2. **Industrial Clustering**: Establishing industrial clusters can enhance productivity, innovation, and competitiveness in key sectors like manufacturing, technology, and agriculture.
3. **Urban Growth**: Urbanization driven by agglomeration economies can lead to improved infrastructure, services, and living standards, contributing to overall economic development.

### Examples of Agglomeration Economies in Nigeria

### 1. Lagos as an Economic Hub

**Description**: Lagos, Nigeria's largest city, exemplifies the benefits of urbanization economies. Its strategic location, extensive infrastructure, and large population have made it a hub for various industries, including finance, technology, and manufacturing.

**Contributions**:

* **Finance**: Lagos is home to the Nigerian Stock Exchange and numerous banks and financial institutions, attracting investment and providing financial services to businesses nationwide.
* **Technology**: The Yaba district, known as "Yabacon Valley," has become a tech hub, attracting startups, tech companies, and investors, fostering innovation and entrepreneurship.
* **Manufacturing**: Proximity to the port and a large labor force have made Lagos a center for manufacturing, contributing significantly to Nigeria's industrial output.

**2. Oil and Gas Industry in Port Harcourt**

**Description**: Port Harcourt, in the Niger Delta region, is the center of Nigeria's oil and gas industry. The city's proximity to oil fields and refineries has led to the clustering of oil companies, service firms, and related industries.

**Contributions**:

* **Industry Growth**: The concentration of oil companies has spurred the development of specialized services, such as drilling, engineering, and logistics.
* **Employment**: The industry has created numerous jobs, attracting skilled labor and boosting the local economy.
* **Infrastructure Development**: Investments in infrastructure, including roads, ports, and housing, have improved living standards and economic opportunities in the region.

**3. Kano's Textile Industry**

**Description**: Kano, a major city in northern Nigeria, has a long history as a center for the textile industry. The city's agglomeration of textile manufacturers has created a robust industrial ecosystem.

**Contributions**:

* **Specialization**: Clustering of textile firms has led to the development of specialized skills and techniques, enhancing productivity and quality.
* **Supply Chain Efficiency**: Proximity to suppliers and markets has reduced transportation costs and improved supply chain efficiency.
* **Economic Impact**: The textile industry has significantly contributed to Kano's economy, providing employment and supporting ancillary industries such as dyeing, weaving, and garment manufacturing.

### Conclusion

Agglomeration economies play a crucial role in urban economic development by fostering industry growth, innovation, and efficiency. In Nigeria, cities like Lagos, Port Harcourt, and Kano demonstrate how the benefits of agglomeration can drive economic diversification, enhance productivity, and improve living standards. Leveraging agglomeration economies can help Nigeria achieve sustainable urban and industrial development, contributing to the nation's overall economic growth.