

# THE REAL COST OF URBAN INNOVATION IN LAGOS, NIGERIA

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15.04.2026

# OUTLINE

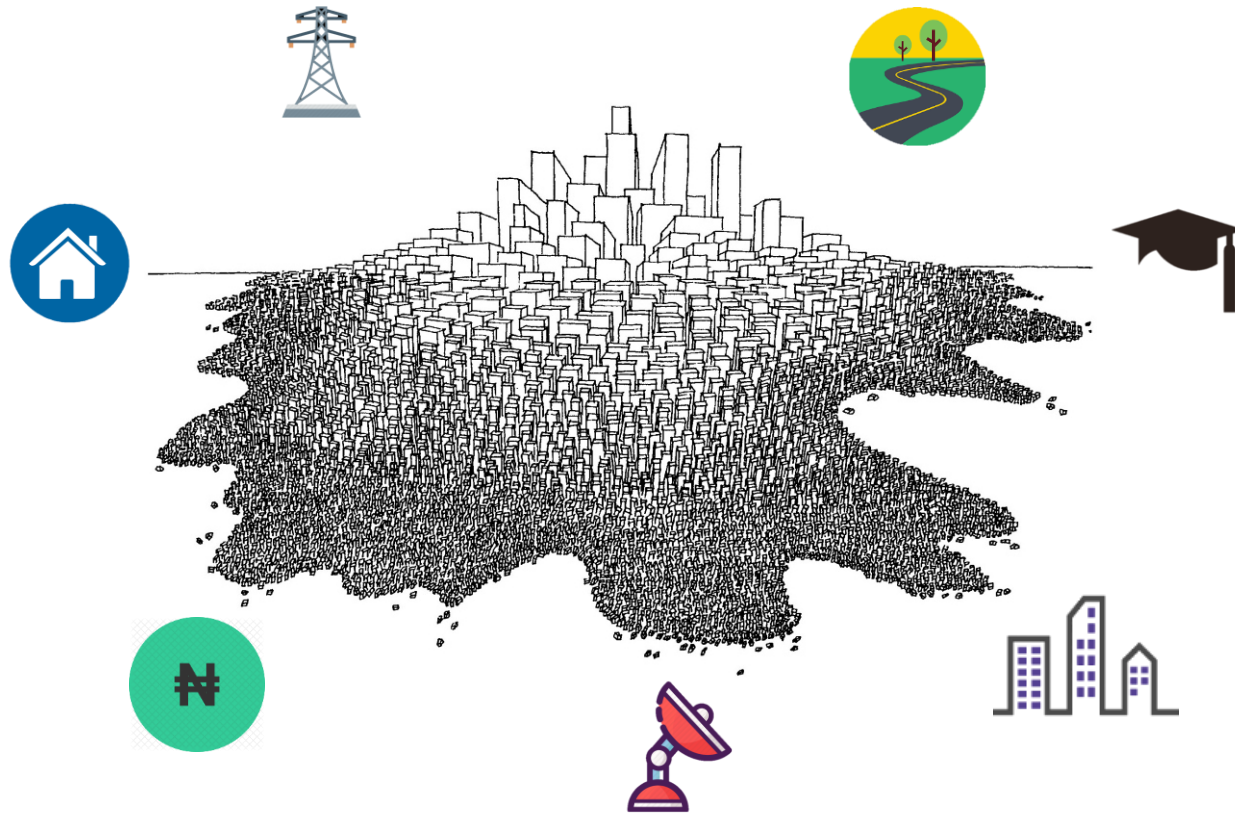
- **Introduction: What is Urban Innovation ?**
- **The Smart City Rhetoric**
- **The cost of Urban Innovation in Lagos**
  - **New Cities**
  - **The Platform Economy**
  - **Digital Governance**
- **Final Reflections: Is Urban Innovation Elite Capture?**



# What is Urban Innovation?



As more people are moving to cities, How are cities changing?



Technology has influenced new dimensions of city making.



**Urban innovation** is the development and implementation of new **technologies, policies, and, processes** to solve urban challenges, enhance sustainability, and improve city life..

(Cities Forum, 2022)

# DOMINANT STRANDS OF URBAN INNOVATION IN LAGOS

## Smart-City Urbanism

High-end, private real estate developments leveraging

## The Platform Economy

Digital intermediaries like Uber and Airbnb reshaping urban services.

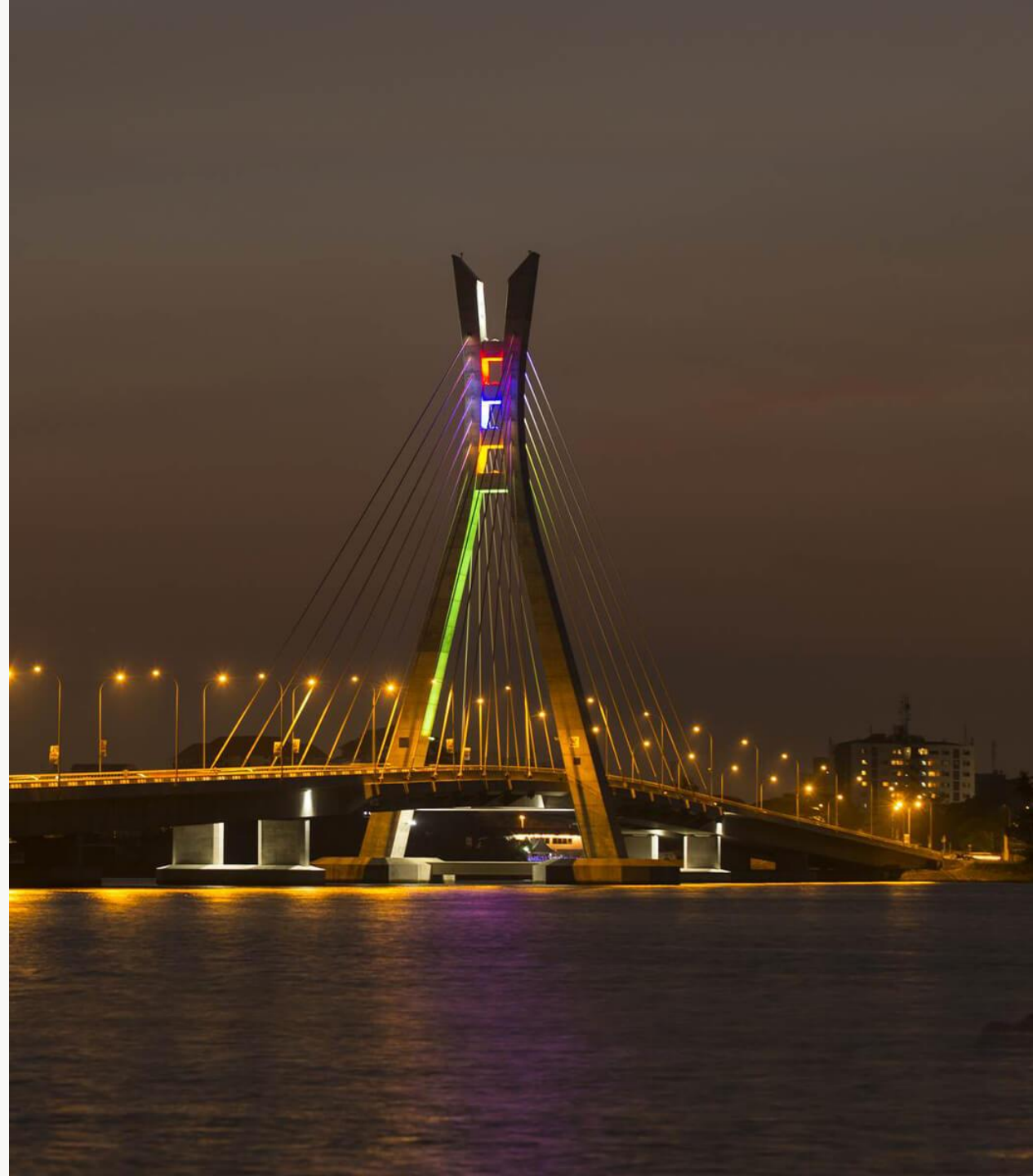
## The Digital Economy

Social media commerce, digital marketing and financial services.

Each strand presents unique opportunities for efficiency but also new modes of exclusion. The transition to these transition to these models represents a paradigm shift in how the city is governed and experienced.

# LAGOS AS A CENTRE FOR URBAN INNOVATION

- Innovation in Lagos is rooted in a legacy of high-density social energy and survivalist ingenuity (Falola & Heaton, 2008).
- Historical "innovation" in Lagos was often organic and community-driven rather than top-down.
- Innovation is often driven by inadequacy of state-led social and physical infrastructure.
- Talent migration to Lagos is a primary engine of its economic dominance in Nigeria.
- Understanding current shifts requires acknowledging this deep-seated culture of adaptation.





# The Smart City Rhetoric

Since the late 1990s, global financial capital has shifted in search of new **spatial fixes** targeting African urban development (Watson, 2013).

New '**World class cities**' are envisioned and developed as the response to the challenges of Africa's urbanization.

**'Smart cities are an opportunity for African cities to leapfrog into the mid-21<sup>st</sup> century,, - (Deloitte, 2016)**

Across Nigeria, there has been the upsurge of foreign investment, architecture and /or infrastructure firms as major players in large-scale development of smart city projects.

These projects are designed as urban utopias and housing solutions largely catering to the **ultra-wealthy** with limited attention to local nuances, cultural constructs or social inclusion that are essential for human interaction and sustainable settlements.





# The cost of Urban Innovation in Lagos



***If urban innovation is underpinned by ‘smart city rhetoric’, are we prepared for the consequences?***



# Urban Planning

## SMART-CITY URBANISM

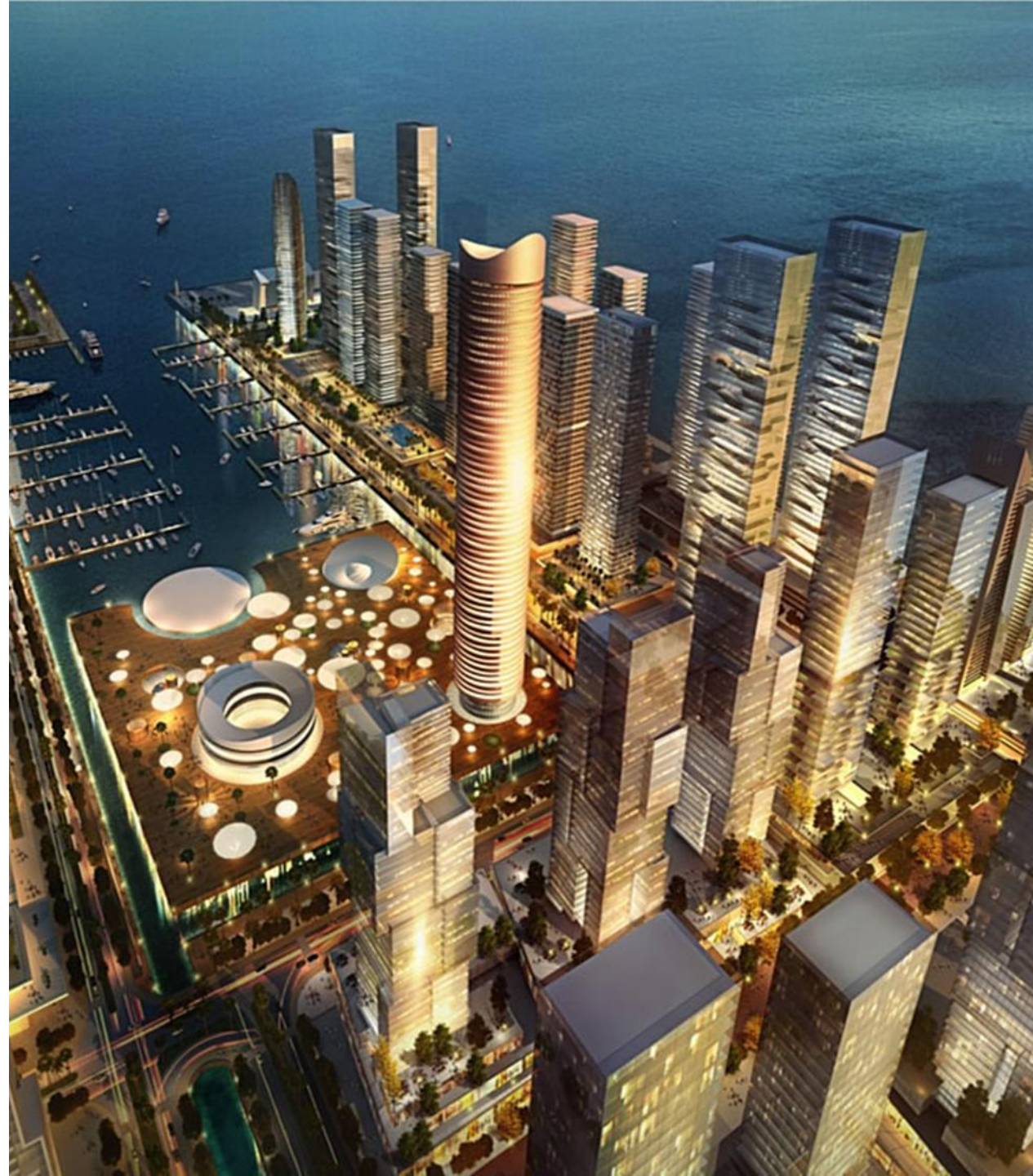
- Smart-city urbanism in Lagos is often a top-down vision linked to global aesthetic standards (Watson, 2014).
- These projects are presented as solutions to urban chaos but often operate as "**fortress urbanism.**"
- Innovation in this context is frequently synonymous with "modernization" and privatization.
- Smart cities aim to attract foreign direct investment by creating "islands" of efficiency.

### The Critique

- Smart cities ignore the lived realities of the majority (Watson, 2014).
- The focus is often on high-tech infrastructure rather than social service provision.
- This model prioritizes the "smartness" of the built environment over the "**inclusion**" of the population.

## EKO ATLANTIC CITY

- Eko Atlantic represents the pinnacle of new city innovation in Nigeria, built on reclaimed land.
- The project highlights the shift toward entirely privatisation of urban management and infrastructure
- It is a "smart" response to the city's perceived infrastructure deficit.
- However, it functions as an elite enclave, physically and economically separated from the rest of Lagos. The project embodies the "man-made island" innovation.



The creation of man-made islands involves massive dredging operations with significant environmental costs. There are also social consequences



### **Coastal Morphology Disruption**

Dredging alters coastal morphology and exacerbates erosion in neighboring, less-protected areas (Ajibade, 2017). Innovation in engineering is used here to solve a space problem but creates new ecological vulnerabilities.



### **Increased Flood Risk**

Coastal communities face increased flood risks due to redirected sea surges. The "Great Wall of Lagos" protects the elite enclave while leaving the mainland exposed.



### **Spatial Displacements**

Local communities are forcibly evicted as they do not fit the proposed aesthetic of the new city .





# The Platform Economy

## THE PLATFORM ECONOMY

The platform economy introduces digital intermediaries that restructure how labor and services are traded. In Lagos, the platform economy is a **double-edged sword**: providing convenience for some and precariousness for others.

### Value Extraction

Global platforms like Uber and Airbnb leverage local infrastructure while extracting value (Chen & Graham, Graham, 2022). These innovations are often marketed as "sharing," but function as predatory commercial models.

### Precarious Labor

Platforms rely on a "gig" workforce that lacks traditional labor protections. They bypass local regulations, often disrupting existing economic ecosystems.

### Crippling Local Systems

These platforms have "**crippled**" existing local systems.

## LABOUR ADVANTAGE

Estimated population of 25 million  
About 50% unemployed labour force



## CONSUMER ADVANTAGE

Estimated population 25 million

A VIABLE MARKET FOR THE GIG ECONOMY

# Short-lets and the immediate housing crisis

Short-lets involves renting an entire home, a room or a shared room for a short period.

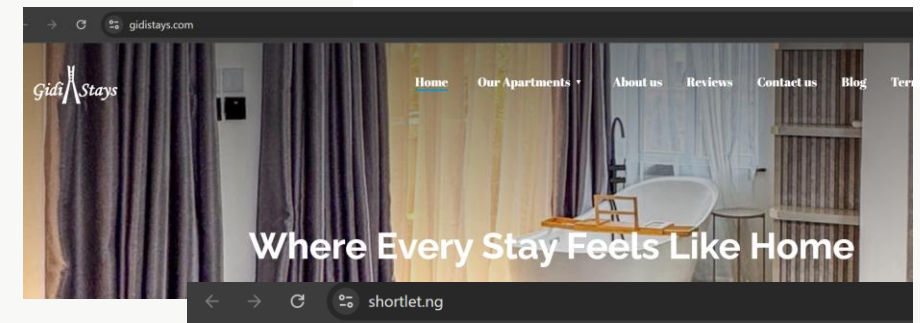
It poses a significant threat to urban housing by

- Reducing the availability of long-term rentals. A flat or house available all year for short-let is no longer a long term rental option
- Increasing rental prices for available long term housing
- Driving new housing investments towards the 'experience economy', 'luxury' and 'tourism' rather than towards addressing the city's housing gap
- Displacing permanent residents by shifting rental value, residential densities, cost of living and the local character and socio-economic profile of neighbourhoods.
- Straining local infrastructure and urban services
- Blurring the boundaries between residential and commercial use.
- Substitution threats between short-lets and hotels
- The short-let sector is largely unregulated, hence creating urban management challenges.




Your Home Away From Home

Over 100 Verified and approved short let apartments in Lekki Phase 1, Victoria Island, Ikoyi, Ikeja and Maitama, Abuja.



 ShortLet.ng

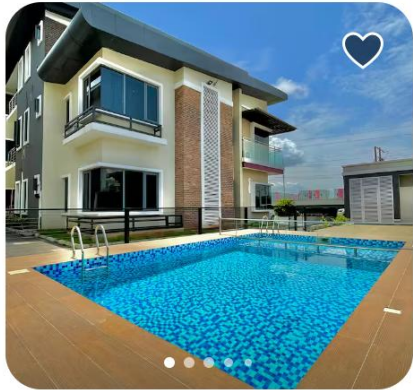
 +2349080000938

 easybooking@shortlet.ng

Find your next best  
cozy place



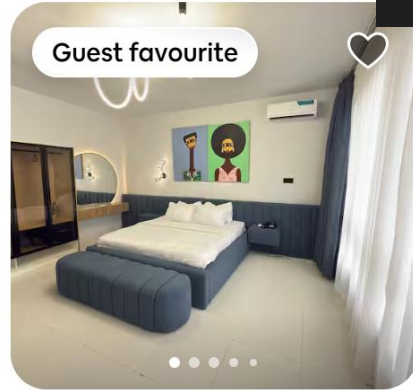
Over 1,000 homes within map area



**Hotel in Lekki** ★ New  
Luxury Single Room in Lekki...  
1 bed  
**£27** night before taxes



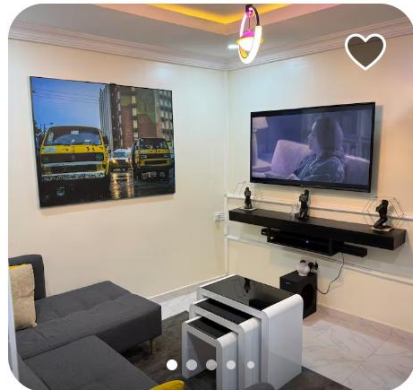
**Guest favourite**  
**Flat in Lagos** ★ 4.74 (23)  
The Cedar Room by BDG...  
1 bed  
**£19** night before taxes



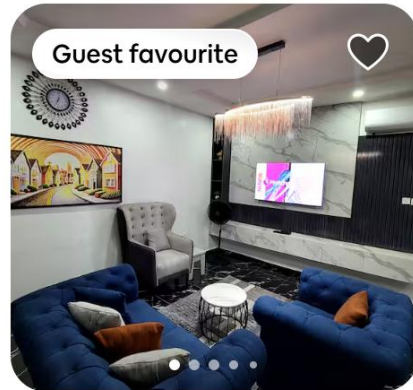
**Guest favourite**  
**Flat in Lagos** ★ 5.0 (7)  
Alcove One in Ikoyi.King...  
1 king bed  
**£75** night before taxes



**New**  
**Flat in Ikeja** ★ 4.67 (12)



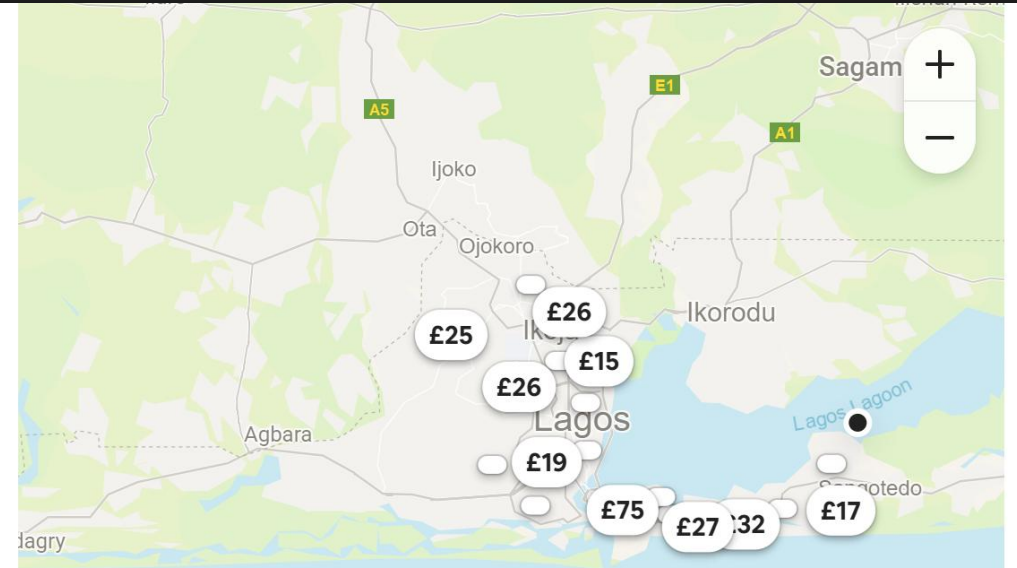
**Flat in Lagos** ★ 5.0 (10)



**Guest favourite**

### Long-Term Housing

Save Up To 20% On Stays of 28+ Days Book A Long-Term Stay Today.



## Newly Built Massive 3 Bedroom Flat With Bq

Premium Listing



### 3 bedroom flat / apartment for rent

Katampe, Abuja

For rent newly built massive 3 bedroom flat with bq for rent all unit available a minute off tarred road location: katampe main rent:

[More details](#)

Added Yesterday

**₦8,500,000** per annum

Urban\_nest\_realty

08164270737

3 Bedrooms

Save

## Exquisite 2 Bedroom Apartment With Roomself Bq

Premium Listing



### 2 bedroom flat / apartment for rent

Bode Thomas, Surulere, Lagos

Exquisite 2-bedroom with bq apartment in prime surulere! located on 3rd-floor in the prestigious eric moore heights, surulere, lagos, off

[More details](#)

**₦7,500,000** per annum

Homesearch And Properties

08170730095

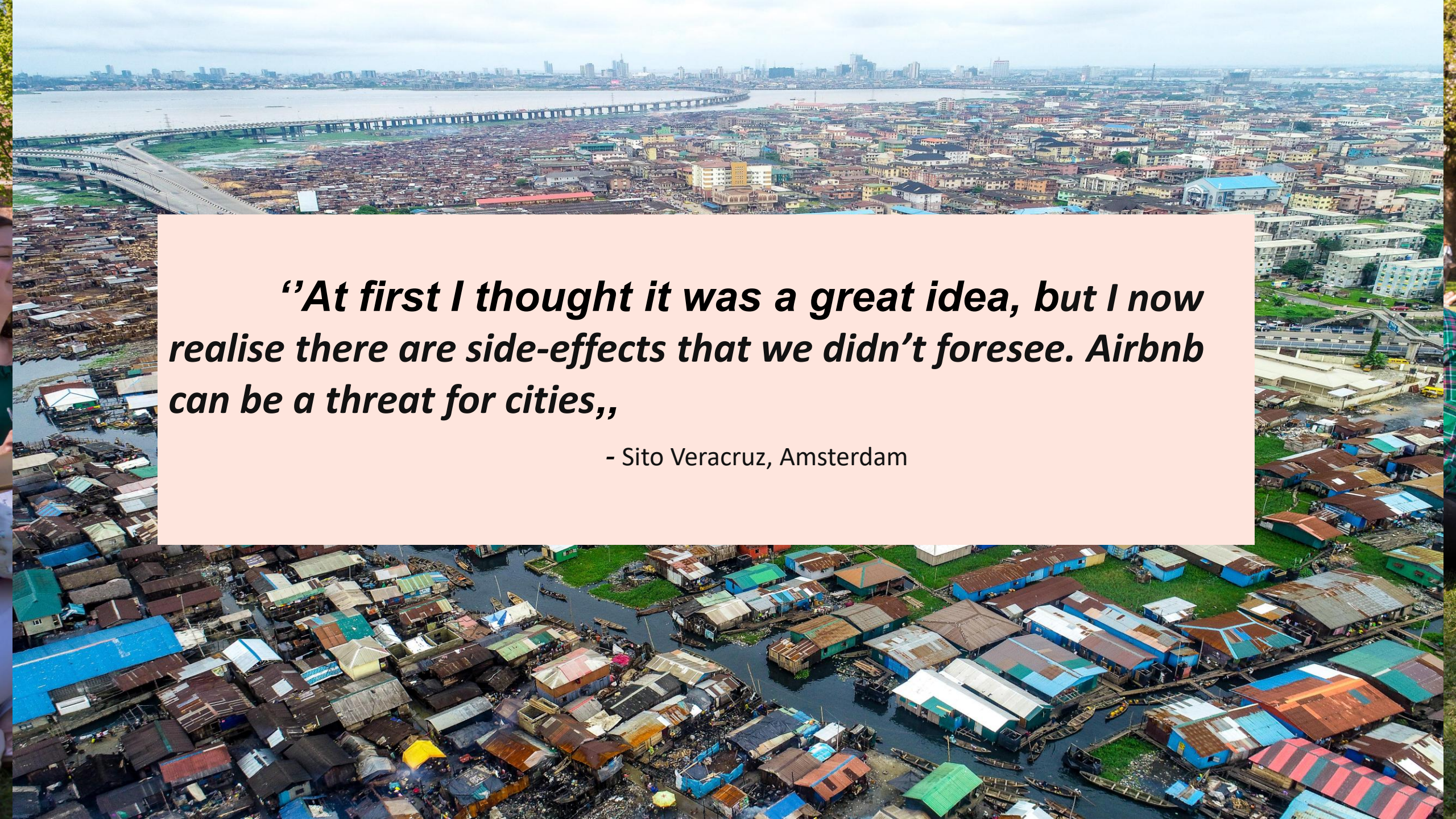
2 Bedrooms

2 Bathrooms

3 Toilets

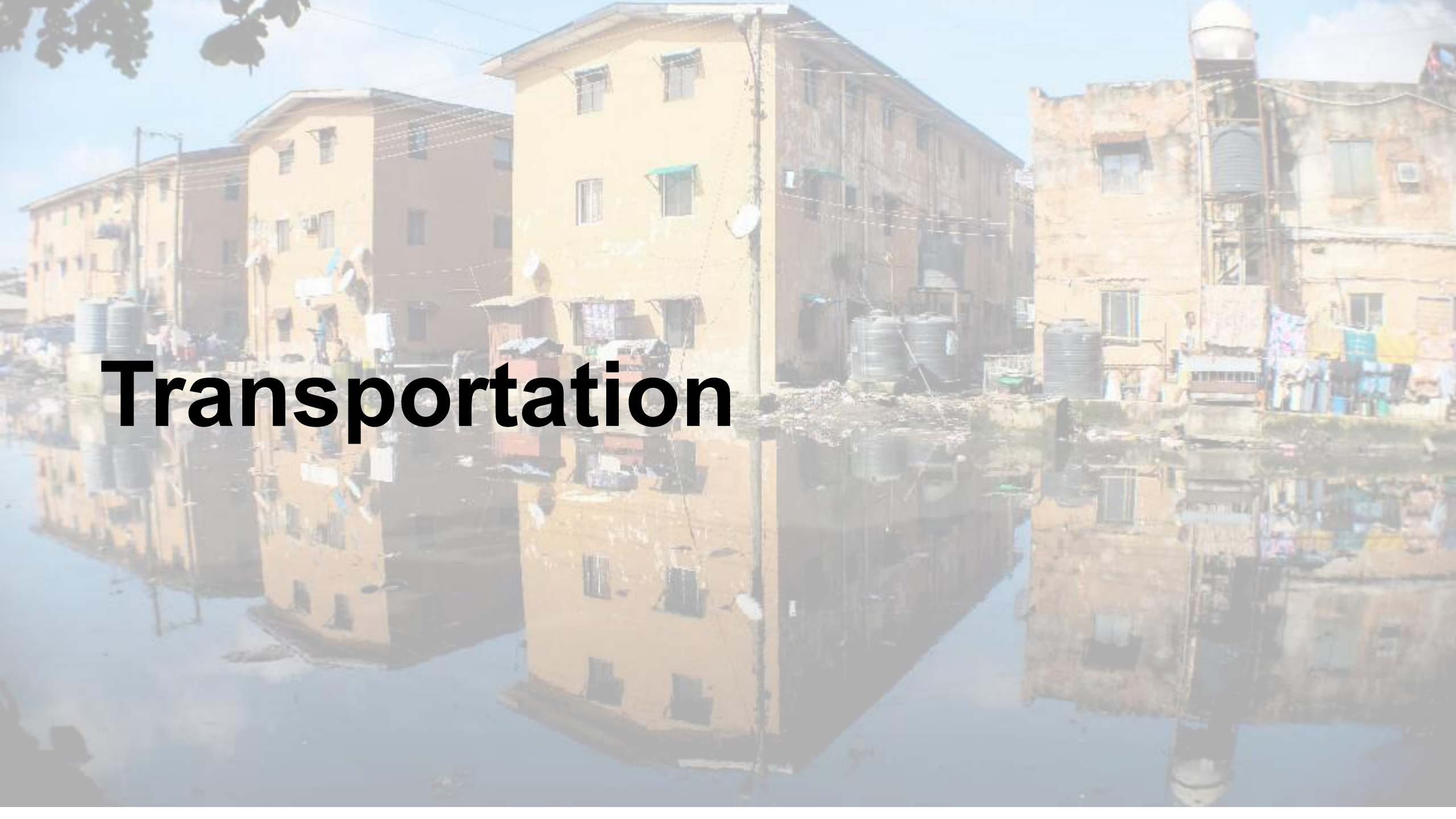
3 Parking Spaces

Save

An aerial photograph of a city, likely Manila, Philippines, showing a large body of water (Manila Bay) and a long bridge (Manila-Corona Bridge) extending across it. The foreground is dominated by a dense, low-rise urban area with many small, colorful buildings. The sky is overcast.

***“At first I thought it was a great idea, but I now realise there are side-effects that we didn’t foresee. Airbnb can be a threat for cities,,***

**- Sito Veracruz, Amsterdam**



# Transportation

## RIDE HAILING AND LIVELIHOOD TRANSITIONS IN THE LAGOS TRANSPORT SECTOR

- Ride-hailing platforms like Uber has **crippled** the traditional "yellow taxi" system in Lagos.
- Innovation became a disruptive force that made a long-standing local transport ecosystem redundant.
- Efforts to build "local" transport services are often stifled by the capital advantages of global platforms, and chain entrepreneurs.
- While Uber offers better user interfaces, it does not solve the underlying traffic congestion.
- Platform labour is characterized by high surveillance and fluctuating income for drivers (Chen & Graham, 2022), hence livelihood precarity.





58% of all drivers are graduates

**32%**

Of Drivers are within the age range of **35-44 years old**

**30%**

Drivers within the ages **45-54 years old**

# SOCIO-ECONOMIC OVERVIEW OF DIGITAL TRANSPORTWORKERS

## GENDER



More households depend fully on the income from uber/Bolt via leased vehicles



"The government is solely to blame for the problem we are facing with our business. The different types of levies apart from the tax we pay to government is in 8 places but the Bolt and Uber do not pay such."

"They have access to the internet and we do not despite the obligation to pay fees as a registered taxi driver in Lagos State."





# **Digital Governance**

## THE DARK SIDE OF FINTECH: PREDATORY LENDING APPS

The rise of digital lending apps has introduced predatory Lending apps, which operate like "loan sharks". These apps often use aggressive debt collection tactics, including social shaming of borrowers.

Innovation in credit access becomes exploitative when not paired with consumer protection

Digital lending often bypasses traditional banking oversight, operating in a regulatory gray area.



Anonymous participant

May 9, 2025 · 🌐

Palmcredit sent this to me this morning, I don't know how far they can go, the loan was due yesterday. I'm afraid

Texting with Catherine (SMS/MMS)

YOU WILL BE SUBJECTED  
TO CHARACTER  
DEFAMATION, ACTING  
FRAUDULENT, AS A RESULT  
OF YOUR BREACH OF  
AGREEMENT WITH  
PALMCREDIT, FAILURE TO  
MAKE PAYMENT BY 9AM  
TODAY

8:10 AM • MTN NG



# Is Urban Innovation Elite Capture?

- **Why do we need to innovate?** If it is not broken, Why fix it? The case for Urban Improvement vs Replacement
- **Who really benefits from urban innovation?** Who owns the data? Privatisation of the city processes?
- **How does real time profit from innovation feed into the city process?** Data governance, taxation and licences? Local economic development?
- **How do we regulate when the promoters are not within geographic jurisdiction?** Digital borders? Protection of in-situ enterprises? Who owns/ regulates the digital realm?
- **How does innovation address everyday challenges in a way that builds urban resilience for urban residents?**

# **Is the Human-centred Smart city possible?**

Tech for inclusion vs Tech for disruption