

RE-THINKING THE APPROACHES TO MASS HOUSING DELIVERY IN NIGERIA: LESSONS FROM PAST HOUSING PROGRAMME IMPLEMENTATION

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Nigerian cities are experiencing increasing population and rising urbanisation rates which are inconsistent with the provision of adequate housing and urban infrastructure. This contradictory trend arises mostly from the failures of past efforts by the government and the private sector. In recent times, public-private partnerships have evolved at different urban centres to produce houses which are inaccessible to the low-income households. Consequently, a substantial population of the low-income households residing in the urban areas are accessing their housing through informal arrangements which are synonymous to the sprawling of substandard housing. This problem is evidenced by the deficiency of infrastructure, shortage of good housing, unplanned urban expansion, poor living condition, high residential rentals and deprivation. To examine these issues, a review of government's mass housing schemes is undertaken. Official policy papers, reports and academic literature covering the period from 1960 to 2010 were used to explicate the mass housing schemes. The findings indicates a consistent use of top-down approach to design and implement mass housing programmes, from the Federal to State and Local government levels. This approach failed to achieve desired results due to non engagement of relevant stakeholders (governmental actors, private institutions, land owners and end-users) in the funding, design and implementation of housing projects. Similarly, roles were over-centralised in Federal Government line agencies which gave undue advantage to few individuals to monopolise the implementation processes. Furthermore, there was a lack of appropriate procurement regulations to address probity, accountability and efficiency concerns. In view of these findings, a bottom-up approach, the decentralisation of roles and partnership of multiple actors are recommended. These have potentials for solving the problems identified; therefore, further research could empirically verify this claim.

Keywords: housing, bottom-up approach, top-down approach, national policy

INTRODUCTION

The post independence arrangement of housing provision in Nigeria can be split into two eras; state-led approach and market friendly system. In approximate terms, the state-led era began from 1960 to 1990 and the market friendly system was introduced in 1991 and remains operational till date. These two eras are marked by contrasting

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ideological stance, policy framework, strategies, and actions (FGN-Housing Policy, 1991, 2006). Studies however, documented that the two eras share similarities of worrisome and awful inefficiencies and ineffective arrangements for the supply of housing to meet growing demand ((Ikejiofor, 1999).

Since independence in 1960, the population of Nigeria has been on the rise. In 1963, the population estimate was put at 55.6 million (Metz, 1992 p.94), it rose to 88,992,220 in 1991, 140,431,790 in 2006 (FGN-National Population Commission, 2010) and 162.47 million in 2011 (World Bank, 2010). This population growth rate makes Nigeria one of the most populous countries in Sub-Saharan African region (World Bank, 2009). There has been a rapid occurrence of urbanisation in Nigeria and it is estimated that 48 percent of the population resides in urban areas (World Bank, 2009 p. 119). By this estimate, Nigeria has become one of the most urbanising countries in the Sub-Sahara African region (Hitimana, Heinrigs, and Trémolières, 2011; Akinbamijo, 2012). The growing population of Nigeria is causing a demand pressure for adequate and affordable housing in urban and rural areas but the supply is not keeping pace with this rising demand. For instance, as of 2006, the official government records put the total number of houses at 28,197,085 (FGN-Housing Census, 2006) and this stock is made up of houses of varying standards such as: houses on separate stand (50.6 percent), traditional hut structures made of traditional materials (13.9 percent), flat in block of flats (9.7 percent), semi-detached houses (9.7 percent), rooms/let-in houses (13.6 percent), improvised dwellings (0.5 percent) and others (1.9 percent) FGN-Housing Census, 2006). Based on the combination of sub-standard housing stock and new demand, a prevailing deficit of between 12 - 16 million housing units has been estimated (FGN-Housing Sector Reforms, 2006). This overwhelming shortage is rising regardless of the policies, strategies, and actions which the government has pursued since independence.

In view of the present housing situation in Nigeria, it is necessary to provide answers to a number of questions: what are the key variables that influence the outcomes of past housing programmes? On what basis could a case for a rethink on present housing approach be made?

RESEARCH METHODOLOGY AND CONTEXT

The methodological approach adopted for this study is premised on the idea that housing is a complex commodity and its provision require multiple components such as finance, land, infrastructure, labour and building materials. These components are organised and shaped by legal, regulatory and institutional frameworks within which they operate. The forces that would often operate within any housing sector are policies, strategies, instruments and actions (UN-HABITAT, 2004 p. 4; 2010 p. 13). Conducting a study in such a complex context requires the selection of method that respect contingency (Jessop, 2008).

The sources of information used for this study include official policy papers, reports and peer review articles. The official policy papers and reports were obtained from the relevant authorities (the Federal Ministry of Housing and Urban Development, the Federal Mortgage Bank of Nigeria and the Federal Housing Authority) during a field visit and some were accessed from the websites of international agencies (such as the World Bank, the UNDP, and the UN-HABITAT). The academic literature (journal articles and conference papers) were mostly retrieved from the internet. As not all the archival records were accessible during the field visit, the review, therefore, is limited to the extent of resource availability at the time of writing this paper.

Four key interactive macro level processes of housing provision were reviewed, these include: policy framework and institutional arrangement, funding mechanism, housing project implementation and allocation process. The review is limited to this scope, bearing in mind that all knowledge is partial, provisional, and incomplete-able (Jessop, 2008).

THE STATE-LED HOUSING PROVISION ATTEMPTS

This section reviews the attempts by government to provide housing and factors that influence outcomes which can be summarised into four key aspects: housing policy framework and institutional concerns; funding mechanisms; project implementation; and allocation process.

Inappropriate Policy Framework and Institutional Concerns

Starting from 1960 till early 80s, Nigeria's national development programme was based on a socialist political ideology and the Keynesian central command type of economic planning. On the basis of this ideology, five yearly National Development Planning (NDP) systems were introduced and the chronology of the Plans is presented in Table 1. It is important to note that, the idea of NDPs was later replaced with three-year overlapping National Rolling Plans (NRPs) in 1990 and as of 2001, about six of such Plans have been implemented (Mongabay, 2010). Furthermore, the institutional arrangement for housing provision in Nigeria developed within the overall process of national development and the key interactive variables that affected housing provision are summarised in figure 1. Previous studies (for example, Achuenu and Achuenu, 2008; Olotua and Babadoy, 2009; Ademiluyi, 2010) concluded that housing provision was neglected in the first and second NDPs, this review has clearly shown that with the prevailing developmental circumstances at that time such neglect was expedient.

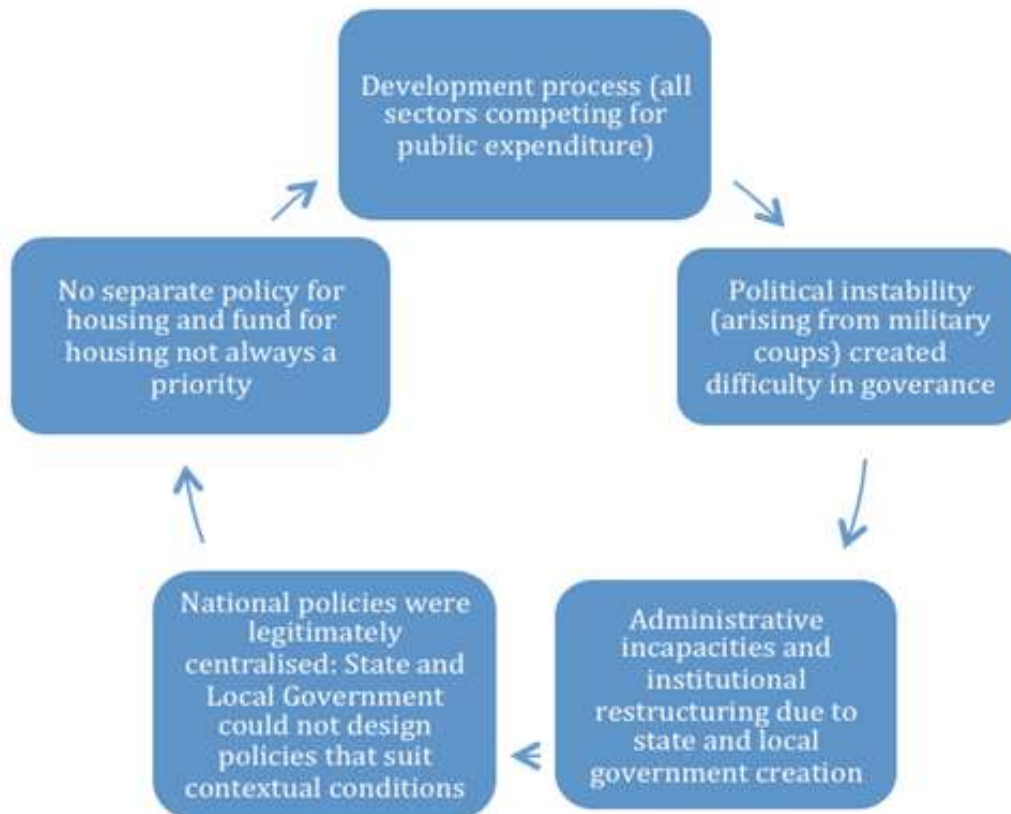


Figure 1: Interactive issues influencing the supply of housing

Unsustainable Funding Mechanisms

Public expenditure for housing first appeared in official government records in early 70s and this was in the period when the second NDP was being implemented. Prior to this time, other welfare items such as health, education, cooperative social welfare, water supply had received budget priority but this was not the case with housing. When housing first received budget attention, it was only the federal government that provided funding while state and local governments did not (Ekundare, 1971). Similarly, the capital expenditure schedule shows that housing was not initially included but an afterthought allocation of ₦2.634 million was later made (Awotona, 1990). In the third and fourth NDPs and the fourth NRP, budget estimates (in Nigerian Naira) of ₦1.830 billion, ₦2.686 billion and ₦2.0 billion were respectively provided by the federal government. The values of these amounts of monies were good in the periods at which the budgets were made because the exchange rate of Nigerian currency (₦) to US dollar (\$) was almost at par and the inflation rate was at a single digit in some of the periods. For instance, the exchange rate of ₦0.66 to 1US\$ was recorded in 1973 and the inflation rate was put at 5.4 percent (Metz, 1992). In 1982 the exchange rate of ₦0.67 and inflation rate of 5.6 percent were recorded and similarly in 1991, the exchange rate of ₦9.91 and inflation of 12.7 percent were recorded (Imimole and Enoma, 2011 p. 12; Onwioduokit (1999 p.3). The budgetary provisions, number of houses projected to be provided and number of houses actually provided during these periods are presented in Table 1.

Table 1: Federal Government housing budget and milestone

Period	Budget amount	Number of houses projected	Outcome
1 st NDP 1962-68	-	24,000	About 500 units completed (*)
2 nd NDP 1970-74	₦ 2.634 million	54,000	- (**)
3 rd NDP 1975-80	₦ 1.830 billion	66,000	About 23.3 % success rate (***)
4 th NDP 1982-86	₦ 2.686 billion	440,000	About 13.3 % success rate (****)
5 th NDP 1987-89	Projects were suspended due to economic recession and government's focus turned to implementation of Structural Adjustment Programme (SAP) (*****)		
1 st NRP 1990-92			
2 nd NRP 1991-93	Consolidating on SAP and dealing with macroeconomic issues (*****)		
3 rd NRP 1993-95			
4 th NRP 1994-96	₦ 2.0billion	121,000	About 2000 units completed (*****)
5 th NRP 1997-99	-	-	- (*****)
6 th NRP 1999-01	-	-	- (*****)

Sources: (*) FGN (1962); (**)Ekundare, (1971); (***)Lewis (1977); (****)UNDP (1982); Awotona, (1990); Ikejiofor (1999); (*****Ademiluyi (2010); Onwe et al (2013).

Other arrangements for the financing of housing in Nigeria were also not adequate. For instance, the FMBN housing loan arrangement scheme started in 1977 after the federal government, through the Indigenisation Policy transformed Nigerian Building Society (NBS) into FMBN (Ademiluyi, 2010). The bank was lacking robust resources to finance mortgages such that from 1979 to 1983, it received 2,798 applications but only granted loan to 538 applicants (UN-HABITAT, 2001 p. 25). Another arrangement through which public housing was funded is the Employers' Housing Loan Scheme. This scheme started in the 70s but the amount of loan provided to workers is not well documented in public records and academic literature. It is also clear from the evidences presented in Table 1 that the federal government was not consistent in providing funding for housing through the NDPs and NRPs.

The participation of state governments in funding public housing started during the second NDP but like the federal government, they were not consistent in providing the funding. Awotona (1990) confirmed this evidence and also revealed that housing received less priority in state governments' budget compared to other welfare services. During the second NDP for instance, the aggregate expenditure of 11 states on health care services was ~~₦~~87.362 million, the expenditure on education was ~~₦~~179.542million and town and country planning including housing provision received an expenditure of ~~₦~~27.576 million. The situation was similar in subsequent NDPs and NRPs and more worrisome was the non participation of LGCs in the funding of housing (Ikejiofor, 1998 & 1999; Ademiluyi, 2010).

Poor Administration of Project implementation

The evidences presented in Table 1 clearly show the failure rates that occurred from the efforts at provision of housing by the federal government through NDPs and NRPs. Identifying the reasons for the failure of these efforts will guide future efforts

at housing provision. There are multiple variables that accounted for the poor performances as summarised in Table 2.

Table 2: Key variables influencing housing project implementation

Key variables	Manifestation of problems	Effects
Poor organisational framework	Use of top-down model of design and implementation of projects	Over-centralisation of roles in few agencies, lack of probity, accountability, transparency and failures (+)
	Monopoly over the administration of project implementation by Federal Government agencies	
	Small group of individuals became too powerful and exerted considerable influences over the implementation process	
	Volume of projects to implement at certain time outweigh the administrative capacity of implementation agencies	
	Local Government Agencies, Community Based Organisation and Non-Governmental Organisations were left out	
Inadequate procurement regulation	A lack of a uniform procurement regulation and permanent arrangement for control and surveillance	Bribery, corruption, contract collusion, 'ghost contracts', 'ghost contractors', inflations of contract cost and kickbacks (++)
	Proliferation of Tender Boards which have limited mandate and power to decide contract <i>de facto</i> resting with politicians and bureaucrats	
	Procurement process was handled by officers that lacked relevant skills and knowledge	
Land acquisition issues	The land tenure try to take away land ownership from individuals and kinship groups	Delays over land acquisition process, inadequate compensation payment to dispossessed land owners and reluctance (of kinship groups and individuals) to sell land to government and private investors. (+++)
	The land tenure gave too much power to Governors to grant statutory rights on land to give consent transfer of landed properties	
	Land ownership tussles between kinship groups and governments causes delay in land acquisition for housing development	
	Seeking consent from Governor before carrying transaction creature delay for investors.	

Sources: (+) Ikejiorfor, 1999, 1998,1999; Ademiluyi, 2010; (++)Oguonu, 2005; World Bank, 2010; (++++) Otubo,2012; Awotona, 1978, 1989

Faulty Allocation process

The arrangement for allocation of housing by government agencies to beneficiaries in Nigeria was faulty during the state-led approaches and this created some major concerns which are summarised in figure 2.

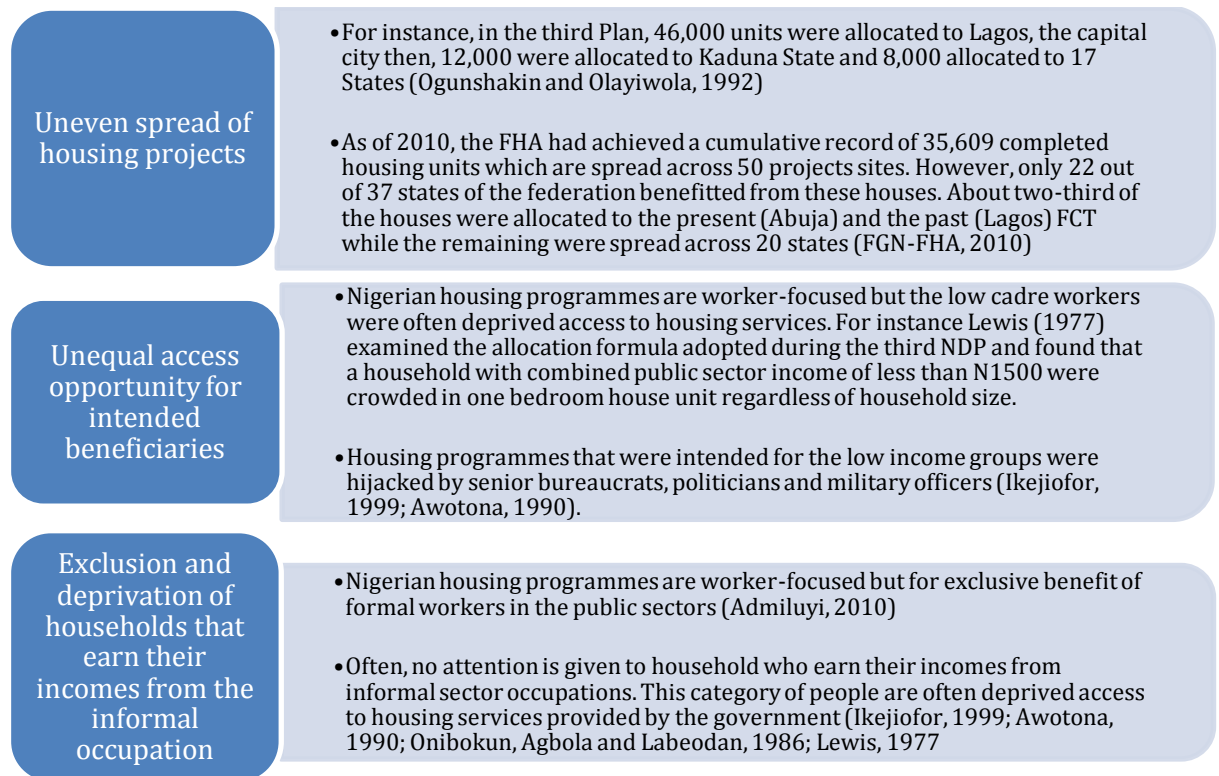


Figure 2: Factors arising from faulty process of housing allocation in Nigeria

SHIFT TO MARKET FRIENDLY SYSTEM

Since the late 80s, most developing countries have experienced a shift in policy thrust from direct provision of housing, to enabling the provision of shelter. This policy change started occurring in developing countries of Asia (Sri Lanka, Thailand, Indonesia among others), South America (Costa Rica, Mexico, Brazil, and Chile among others), the Sub-Saharan Africa (South Africa, Zimbabwe, Nigeria, Namibia, Tanzania, Kenya, among others) and the Arab Region (Jordan among others) (UN-HABITAT, 2000 & 2006), after the concept of the “enabling approach to shelter” was introduced by the United Nations and its agencies (UN-HABITAT and UNDP) in 1988 (UN-HABITAT, 2004). The concept of “enabling shelter strategies,” as it is has been popularised in successive documents of UN Agencies *calls for a fundamental shift in the role of government, from provider to enabler. This is clearly outlined in the “Global Shelter Strategy to the Year 2000” and the “Habitat Agenda”*(UN-HABITAT, 2004 p. 1).

In response to this policy agenda, the Federal Government of Nigeria introduced the 1991 National Housing Policy which was revised in 2006 and 2011 respectively (FGN-NHP, 1991, 2006 & 2011). The design of 1991 and 2006 housing policy was both hinged on a number of assumptions. First, by 1991, Nigeria was already in a recessionary phase which was being addressed through SAP. The experience of SAP had pushed for neo-liberal macro economic framework in Nigeria and therefore, the 1991 housing policy was itself a neo-liberal policy of a sort. In recent policy documents, the assumptions of neo-liberalism and market mechanisms were further emphasised (FGN-NHP, 2006, 2011). One of the key assumptions of the subsisting housing policy is that liberalisation programme will promote growth of private institutions which could then partner with government agencies to finance the supply of low-income housing. It is on the basis of this assumption that the roles of the

Federal Mortgage Bank of Nigeria (FMBN) were redefined by the provisions of the National Housing Fund Act of 1992 and the FMBN Act of 1993 to serve as a networking agent. However, studies (Ibem, 2010; Ikejiofor, 1999) have document the impracticality of these Statutes and policy. Furthermore, the federal government has transferred the responsibility of housing provision to State and Local government authorities on the assumption that they would organise the provision at their respective domains (FGN-NHP, 2006). This aspiration has not been fulfilled and it is as a result of this failure that a case for a rethink is made.

CONCLUSIONS AND RECOMMENDATIONS

Previous efforts at increasing the supply of low-income housing through mass provision have not been successful in Nigeria. This study identifies fundamental issues in the policy framework, funding mechanism and organisational arrangement for housing production and allocation. Proposals for a rethink are made based on these findings (see figure 3).

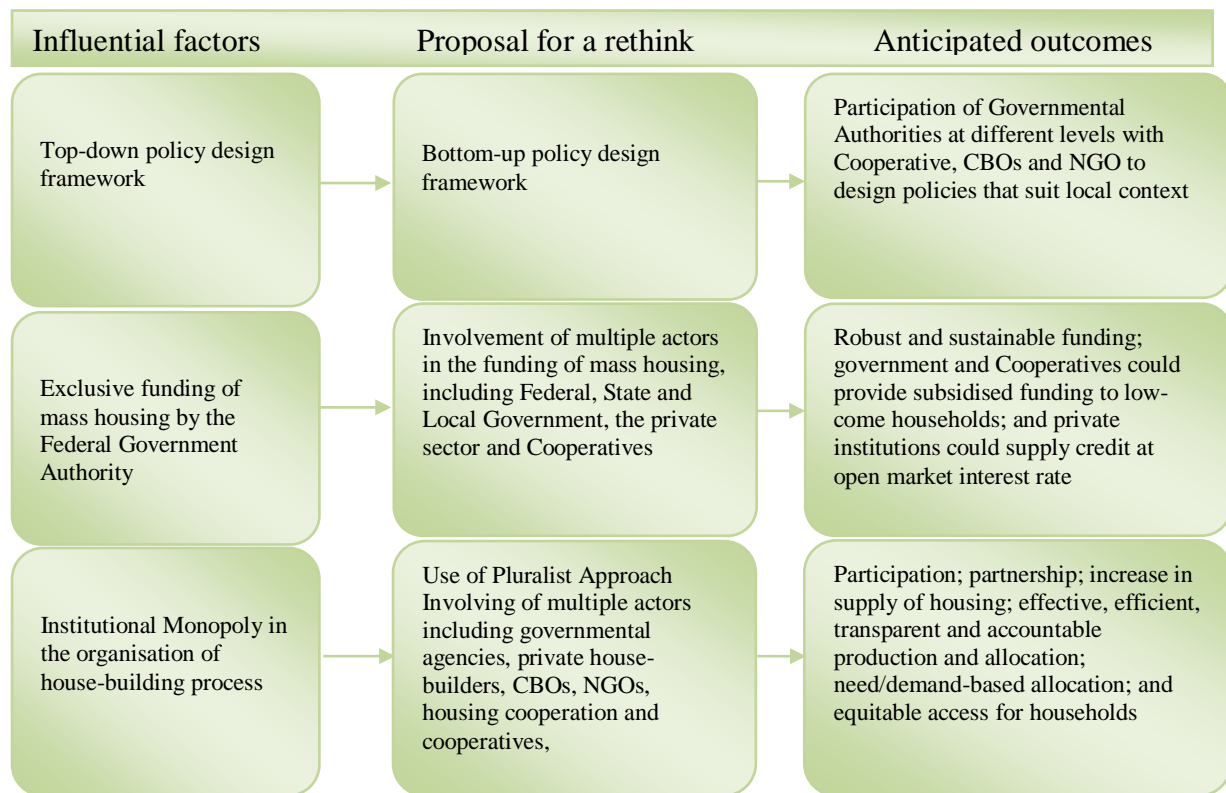


Figure 3: Summary of factors influencing the provision mass housing, proposals for a rethink and the anticipated outcomes

It is argued that reversing institutional monopoly and promoting institutional pluralism at local level through partnership and participation of key stakeholders (government agencies, households, land owners, private developers and financers, CBOs, NGOs etc) could increase the supply of low-income housing. It is also speculated that the engagement of multiple actors (stakeholders) at different levels of housing decision and implementation could lead to efficient, transparent and accountable provision of housing. This is the bottom up approach as opposed to the top down approach that is currently practiced in Nigeria. Empirical studies can examine the perspectives of stakeholders on these claims. It is important to note that governments in other parts of the world have adopted the objective of involving the public in planning decisions on matters that affect them. The Organisation for Economic Co-operation and

Development (OECD, 1996) observed the significance of public participation in various planning and development projects in Japan, Australia and Canada. Germany for instance, included requirements for public participation in its planning legislation - the Federal Building Code (Pahl-Weber and Henckel, 2008). Elsewhere in the United States of America and United Kingdom, government have supported, encouraged and adopted the use of design charrette and other public engagement techniques to involve all relevant stakeholders in development strategies and project implementation. It is possible for the government of Nigeria to utilize these techniques in addressing the problems facing the provision of housing to meet demands through successful implementation of projects. The application/applicability of these and other bottom up approaches within the Nigerian cultural, administrative and legislative systems will be investigated in future research.

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