



Changing housing policies and housing provision in Jos, Nigeria



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Nigeria's housing problems have persisted regardless of changes in policy, strategies, actions and instruments. This study examines housing policy changes and factors that influence housing supply outcomes at the local level. The study reviews the state of housing provision in the national context. The focus is then turned to the city of Jos in north-central Nigeria, where institutional arrangements for the provision of housing are critically examined. Primary data was obtained through interviews with industry role players (government officers and house builders) and the views of people were sampled through a questionnaire survey. This data was then combined with secondary source material to examine financial mechanisms, subsidy provision and local-level organisational frameworks for partnership. The findings suggest that a shift from a state-led to an enabling approach for housing did stimulate the activities of private house-builders and primary mortgage institutions. However, their activities are not spread across the regions of Nigeria. The issue of equitable allocation of public housing across the regions of Nigeria by the federal agencies has not been addressed by the enabling policy framework. Further, the idea of decentralisation of housing provision was introduced but did not result in the formulation of strategies by the local authorities in Jos. The national housing policy itself appears to be ambiguous and difficult to implement by the authorities in Jos. The ambiguities arose because there is a lack of policy enforcement mechanism, political commitment, and a poor local organisation and coordination framework. These failures create uncertainties and risks for private house builders that partnered the government to access finance and subsidies for the provision of low-income housing in Jos. Also, there is limited participation of households due to lack of awareness on public policies. On the basis of the study's findings, some policy recommendations are made.

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Introduction

The history of post-independence housing in Nigeria reflects periods of a state-led housing system (1960–1990) and a market-led approach (1991 to the present) (FGN-National Housing Policy, 2006b). In the later period, emphasis was placed on public housing provision. The funding was provided through the public budget while agencies within governmental bureaucracy were responsible for the implementation of projects. Through this policy arrangement, public housing projects (Ikejiofor, 1999) and site-and-services schemes (Ademiluyi, 2010) were executed at different locations of Nigeria. In 2006 there were 559,561 unprivatised units of public housing rented across the 37 states of Nigeria, and of this

number, 77,411 were in Lagos, the former capital of Nigeria, 28,062 in Abuja, the present capital, and 6089 in Jos (FGN-National Population Commission, 2010b: 151, 173). Similarly, in the decades of the 1980s and 1990s, about 12,000–15,000 residential plots were produced in three categories (1296 m² size plots for the low-density residential areas, 648 m² for medium-density and 360 m² for high-density areas) and sold to the public via the site-and-services schemes in some selected locations. In spite of these efforts, the Nigerian housing situation remains in a state of crisis, revealing itself through quantitative shortages and the growth of urban slums.

The problems that affected the state-led approach for housing include: first, a faulty allocation mechanism. This was evident in the allocation of residential plots provided via the site-and-services scheme, where some states got allocation while others were left out (Ademiluyi, 2010: 157; UN-Habitat, 2001: 90). In like manner, the Federal Housing Authority (FHA), which has been responsible for the execution of public housing in the last three decades, made a cumulative success of 35,609 units in 2010. However, though

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projects were executed across 50 sites only 22 out of 37 states got an allocation (FGN-Federal Housing Authority, 2010a). Second, the allocation arrangements at the institutional levels create inequity. Ogunshakin and Olayiwola (1992: 46) cites Okpala (1985) to observe that access to housing loans from the FMBN was a challenge to the urban poor and the middle class. Similarly, where the allocation was subject to the initial payment of a prescribed fee, such as that in the owner-occupier housing arrangement (instances in Lagos), the process was found to favour the high-income groups against the low. These are enduring legacy issues that are yet to be overturned, as will be evident in the subsequent discussion. Third, the bureaucratic management of housing provision failed to meet demand for public housing nationally (Ikejiofor, 1999).

Fourth, there was a poor framework for the implementation of public housing projects. It was poor in the sense that implementation roles were over centralised in few agencies that gave a limited number of individuals power to decide on what and how things should be done. The result was a poor contract-administration system, which led to the mismanagement of public resources, contract collusion, bribery and corruption. Lastly, there was a tussle over who should execute housing projects at the local, between the Federal Government on the one hand, and the respective State Government authorities on the other. This was evident during the 1981–1985 national public housing programme (Ikejiofor, 1999: 180).

Policy changes, assumptions and anticipated outcomes

The change in Nigeria's housing policy was meant to address the problems stated above. However, it is noteworthy to mention that the policy change was compelled by the economic downturn of the 1980s which resulted to changes in the macro-economic framework for national development and the delivery of social services (Metz, 1992). In regard to housing, the introduction of an enabling approach within the framework of neoliberalism was thought to be the solution to failures of past housing programmes. Thus, a deregulation and privatisation programme was introduced to roll back the frontiers of the state while also allowing the private sector to take to the stage (Adejumobi, 1999). Theoretically, the enabling approach has its roots in the political economy of liberalism which is founded on principles of market dynamism and efficiency (Pugh, 1994). In practice, the concept of enablement is a call for a fundamental shift in the role of government, from provider to enabler. This essentially requires governments to assume the role of mobilising the resources of other actors such as public organisations, the private sector (both formal and informal), nongovernmental organisations (NGOs) and, most importantly, the people themselves (as well as facilitating their deployment for the efficient provision of housing) (UN-HABITAT, 2004). The changes that have occurred in the Nigerian housing system since the introduction of the enabling strategy in 1991 are concerned with the funding mechanism for housing, the provision of government subsidies and the administrative role of government agencies.

The housing finance system introduced on the basis of the enabling approach was designed to operate on a number of assumptions: first, it was assumed that a liberalisation programme would transfer the ownership of public finance institutions to the private sector and that the Federal Government would institute legal and regulatory reform to stabilise the private finance institutions. The privatisation of public enterprises has been undertaken since 1999, and, as of 2005, 6 cement companies, 5 brick and clay making companies, 3 steel rolling mills and 2 stone quarries have been privatised. On the finance side, 5 public Deposit Money Banks have been privatised, of which 4 were completely sold to Nigerian individuals and institutional investors and one was sold to

a core investor. Similarly, the government divested in 3 public-owned insurance companies through a management buy-out and core sales (FGN-Privatisation Programme, 2006c: 14–7). Secondly, it was assumed that workers who wished to acquire houses would be willing to subscribe to the NHF scheme through the payment of 2.5% of their monthly incomes to the FMBN. The NHF scheme is still operational and some official records from the FMBN, published in local print media in October 2012, indicate that as of 2011 there were 3,647,275 subscribers to the NHF scheme (Ogunwusi, 2012).

In regard to the provision of development subsidy, it was assumed that government authorities (Federal, state and local governments) would collaborate with the landowners and developers to make the proposals practical at the local level; and also, it was assumed that land and infrastructure subsidies along with tax exemptions would cut housing development costs and that this should help developers to build houses of different sizes at a cost below ₦5 million (US\$31,847– April 2013 exchange rate) (FGN-Housing Sector Reforms, 2006a: 6).

Decentralisation was introduced as a key operational strategy for the enabling approach. Interestingly, most countries that introduced enabling shelter strategies also introduced some form of decentralisation. Some illustrative examples include: Uganda, Zimbabwe, Brazil, South Africa, Ethiopia, Ghana (Helmsing, 2001), Sri Lanka, Botswana, Kenya and Tanzania (Cohen & Peterson, 1997). Decentralisation in the context of federalism is not a new idea in Nigeria, but the introduction of the enabling strategy led to a rethinking of Nigeria's form of decentralisation. The new concepts for Nigeria were deconcentration, delegation and devolution forms of decentralisation, which the UN agencies (UNDP, 2006), the World Bank (1998) and the Commonwealth Secretariat (2011) are popularising globally. Whereas deconcentration and delegation are connected to administrative decentralisation, devolution is political (Commonwealth Secretariat, 2011: 5). All these forms of decentralisation are aimed at promoting accountable, transparent, efficient and effective provision of social services at the local level (Cohen & Peterson, 1997). In this regard, the Federal Government of Nigeria proposed that housing provision roles should be decentralised (FGN-NHP, 2006b: 19–26).

Research objectives, methods and data

The failure of a state-led housing system to meet the demand for low-income housing led to the introduction of a new policy that was designed to operate on the basis of the enabling approach (FGN-NHP, 2006b). However, in spite of the new policy, the housing crisis persisted. This paper aims to examine the effect of housing policy changes on housing supply outcomes in Jos and the study fulfils two key objectives. The first is to scrutinise the current state of housing provision in national and local contexts. The second objective is to present and discuss some key findings of empirical study of the factors that influence the supply of low-income housing in Jos. To fulfil these objectives, interviews were conducted with officers from organisations that are responsible for administering the provision of housing in Jos, and the participants consist of 7 government officers and 2 private developers. Furthermore, people's views were obtained through a questionnaire survey which involved workers employed in the public organisations.

The local authorities in Jos are specifically required to adapt the national policy decision in a number of ways: firstly, through the design of local-level strategies; secondly, by subsidising the cost of housing through the provision of land and infrastructure for developers; and lastly, by organising and coordinating of relevant actors (institutional and individuals) to achieve predetermined housing objectives. The purpose of the interview was to examine

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