

## **MASS HOUSING PROVISION AS A TOOL FOR ECONOMIC EMPOWERMENT AND SUSTAINABLE DEVELOPMENT IN NIGERIA**

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### **ABSTRACT**

*Housing all over the world is considered a basic necessity of man and an indispensable element of man's civilization. The housing sector represents a significant proportion of a country's wealth and an acceptable index of the level and standard of living of a country. Its linkage with building materials, the labour market and the financial sector makes the provision of housing a major component of economic growth and an instrument for wealth creation. The objective of this paper therefore is to examine how mass housing provision in Nigeria can contribute to economic empowerment, employment opportunities and provide sustainable living conditions for the population. It reviews the current housing scenario in Nigeria and further discusses the place of mass housing in wealth creation and sustainable development. The paper concludes that government at all levels should give priority to productivity-driven initiatives such as mass housing development rather than the conventional consumer-driven measures of tackling poverty in Nigeria.*

**Key words:** Housing, wealth creation, poverty alleviation, Nigeria.

### **INTRODUCTION**

Housing, all over the world is generally recognized as a basic necessity of man second only to food. It is not only a basic human need, but a social requirement and a very indispensable element of human settlement (Jinadu, 2004). Housing in all its ramifications is more than shelter since it embraces all the social services and utilities required for convenience both within and around the house such as roads, water, sanitation and electricity including other ancillary services necessary for the well-being of an individual (Akeh, 2008). Housing therefore involves the provision of shelter and other related services and facilities for public health and social well-being of its inhabitants.

The World Health Organisation (WHO, 2004) asserts that to live in a house means more than a roof over one's head but includes a place which offers protection, privacy and contributes to the physical and psychological well-being and support for the development and social integration of its inhabitants.

It is therefore obvious from the above that housing is not judged by what it is, but by what it does to people's life. This is why housing is recognised as a basic right by the United Nations in Article 25(1) of the Universal Declaration of Human Right. Indeed, it is a product that must be provided for all to ensure good life and security. Akeh and Ayuba-Umahi (2008) reported that in most communities, housing is regarded as a symbol of a man's status and an extension of his personality. Thus for many, their house is the most reliable asset and the most significant item of expenditure.

A look at Nigeria's housing situation however reveals that there is monumental deficiency in housing manifesting in both quantitative and qualitative terms. While the problem in most urban centres is not only restricted to inadequacy of supply, but also of quality resulting to overcrowding and increasing pressure on infrastructural facilities, rural areas are faced with the problem of qualitative housing and sheer absence of social amenities and infrastructural development (Akeh, 2010).

Government's effort at tackling the problems of housing in Nigeria has been met with minimal success as the housing sector remains largely under-funded and under-developed. If Nigeria is to achieve the Millennium Development Goals, promote economic empowerment and create employment opportunities, housing development must be vigorously pursued since the quality and quantity of available housing stock in any country is also an acceptable index of a country's development and quality of life.

This paper therefore examines the role which mass housing construction can play towards economic empowerment, employment opportunities and sustainable living conditions in Nigeria given the fact that housing itself is an economic activity with inherent multiplier effects.

### **Nigeria's Housing Scenario**

Nigeria is indeed endowed with vast natural resource potentials yet it is sad and disturbing to note that very little of the earnings realized from these resources have been put into use to boost the fortune of the housing industry and infrastructure. Housing development has been so neglected by successive governments in Nigeria who for years did not regard housing as a priority and who on many occasions made no annual budgetary provision for housing. The resulted effect of this is the deterioration of the housing situation manifesting in severe shortages of housing units and overcrowding in poor quality buildings which are situated in degraded environments.

The World Bank estimates that over 80% of the population live in informal housing structures of varying degrees of permanence on land on which there is no individual ownership rights (Eleh, 2010). These informal settlements are characterized by overcrowding and high occupancy rates. The implication of this is that a large number of Nigerians are living in sub standard and poor housing and in deplorable and unsanitary residential environments.

The problem of housing in Nigeria is accentuated by the continuous influx of people from rural to urban areas. For instance, while only 7% of Nigerians lived in urban centres in the 1930s and 10% in 1950, by 1970, 1980 and 1990, 20%, 27% and 35% lived in the cities respectively (Okupe, 2002). Almost 50% of Nigerians now live in urban centres of varying sizes. The implication of rising population growth in urban centres is that it has created severe housing problems resulting in overcrowding in inadequate dwellings

The 2010 Global Monitoring report of UNESCO shows that 92% of the Nigerian population survive on less than US\$2 per day while 71% survive on less than US\$1 daily. This estimate represent a formidable housing affordability challenge to most Nigerians particularly the low income group who are in a disadvantaged economic position to make effective demand of adequate housing and unless there is a strong political will and radical government intervention, it would be difficult for this group to own houses. The poor in an attempt to find alternative accommodation resort to live in vulnerable areas often in substandard and squalid conditions.

Furthermore, increased rent associated with urban housing is taking a great toll on the spendable income of urban dwellers. With many spending between 40 – 60% of their income on rents (Nuhu, 2007), most urban dwellers have taken up accommodation in areas characterized by poor environmental quality, lack of facilities such as water, electricity, access roads and poor sanitation. This has resulted to the proliferation of slums and shanty settlements which now constitute a major threat to environmental sustainability and the attainment of the millennium development goals.

It is therefore incumbent on Government to see expenditure on housing not only as mere political expediency and provision of social services, but as an investment capable of

creating and adding value, national wealth, employment and contributing in giant measures towards poverty alleviation of Nigeria's suffering and impoverished majority.

### **The Place of Housing in Wealth Creation and Sustainable Development**

Housing is essentially an economic activity with inherent multiplier effects. This is because of its linkage to land, labour, building materials and the financial sector. Ademiluyi (2010) have argued that once the housing sector is buoyant, it would positively rub on other sectors of the economy. Similarly, Ajanlekoko (2001) observed that a vigorous and a buoyant housing sector is an indication of a strong programme of national investment and indeed the foundation of and the first step to future economic growth and social development. This underscores the basis for housing as a catalyst for wealth creation and poverty alleviation.

Nuhu (2007) posited that past measures of poverty alleviation in Nigeria were mostly consumer-driven rather than being productivity or development-oriented and argued that housing construction is one of the productivity or development-oriented strategies that government can be used to alleviate poverty and create wealth among its rising population as well as contributing to the country's Gross Domestic product (GDP).

In a study of the linkage between housing development and job creation in Minna, Niger state, north central Nigeria, Nuhu (2007) also reported that housing construction brought about increased demand for both skilled and unskilled labour and a corresponding increase in wages thereby providing alternative jobs and alleviating poverty.

Haregewoin's (2007) study of integrated housing development programmes for urban poverty alleviation and sustainable urbanization revealed that mass housing delivery in Addis Ababa promoted over 2000 small-scale enterprises and brought about 130 real estate companies into existence. He noted that through these small and medium enterprises and employment of workers at construction sites, the programme created job opportunities for more than 59,164 youths and the vulnerable sections of the society.

Mass housing construction will result in more demand for land. This will inevitably facilitate registration and titling by prospective land owners. While this development will increase the revenue base of governments, it will also provide an excellent means for loan securitization from financial institutions thereby bringing about economic empowerment.

The provision of mass housing will require the use of building materials. Increased demand for these materials will lead to the establishment of markets for such goods and consequently bring about increased economic activities. Additionally, the production of these materials particularly those that are local such as timber will generate employment opportunities among the citizens.

Urban dwellers spend between 40 – 60% of income on rents, which reduces their disposable income and aggravates poverty. It follows from the above that mass housing construction by government will go a long way in reducing poverty and creating wealth as money that would have otherwise been used for rents would be used for other commodities thereby enhancing the quality of life of urban dwellers.

Lawanson (2006) studied the challenges of sustainability and urban development in Nigeria with emphasis on the Millennium Development Goals (MDGs) and reported that no progress was yet made on the target of achieving significant improvement in the lives of at least 100 million slum dwellers by 2020 as well as halving between 1990 and 2015 the proportion of people whose income is less than US\$1 a day. Mass housing provision in Nigeria will undoubtedly facilitate the attainment of the MDGs as it will not only help reduce the number of slum dwellers but also empower them economically.

**CONCLUSION/RECOMMENDATIONS**

The paper discussed the role which mass housing provision plays in wealth creation and sustainable development. Attention must be given to productivity-driven initiatives rather than the conventional consumer-driven measures of tackling poverty in Nigeria and mass housing presents itself as a productivity-driven initiative that can be used to tackle poverty, create employment opportunities and contribute to the nation's Gross Domestic Product.

It behoves on government therefore to create the enabling environment that will see to the provision of mass housing if the quest of tackling poverty and promoting economic development is to be achieved. By so doing, the current housing deficit estimated to be in the region of 16 million units (Akeh, Ahmed and Dogara, 2010) will drastically be reduced and more Nigerians will have access to affordable housing and better living conditions.

Effective collaboration with the private sector will be required and government should encourage cooperative housing and the use of indigenous building materials. The involvement of the financial sector is crucial as it will provide the necessary finance for mass housing construction and facilitate home ownership for many Nigerians. The activities of the informal sector should be regulated and formalized by government. Incentives and training should also be given to the sector for maximum economic empowerment.

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