

## **GOVERNMENT POLICY AS A DISINCENTIVE TO HOUSING INNOVATION IN OGUN STATE, NIGERIA.**

**LASISI A.**

**ADEDIPE B. O.**

*Department of Town and Regional Planning,  
The Federal Polytechnic, Ilaro.*

### **Abstract**

*The desire to turn around the housing sector for improved performance through innovative development has always been canvassed by the major stakeholders in the sector especially the government. Consequently, professionals in the built environment are enjoined to look inward and fashion out appropriate home – grown technology capable of bringing succour to prospective house owners. Similarly, the desirability of patronizing locally made building materials being preached to the citizenry as a way of promoting massive house ownership. But more often than not the overt and covert actions of government prove to be a negation of this laudable aspiration. It has been discovered that most of the government policy measures and regulations do not only constitute a stumbling block on the path of meaningful innovations in the sector but also present anthesis to the overall objective of ensuring massive housing delivery. This study examines such housing related policies and regulations in Ogun State especially in the area of land acquisition and allocation, land document processing, building plans approval procedure, housing schemes preparation and execution among others and found them to be clog in the wheels of innovative practices in the housing sector. It was discovered that such policies were not compatible with innovative development but only serve the narrow interest of the state government. Consequently, a thorough overhauling of this kind of policies was suggested with a view to bring about pragmatic improvement in the sector.*

### **Introduction**

The need to bridge the ever increasing gap between the urban housing supply and demand has remained one of the major challenges of urban governance in the last few decades across the world. This problem of insufficient housing supply to match the demand of urban dwellers has assumed a worrisome dimension in developing countries already plagued with numerous socio-economic problems. Nigeria was recently described as having 80 percent of her urban dwellers living in slums (Awake, 2005; Agbola, 2005) due to overcrowding of the existing housing stock. The increasing rate of urbanization has not helped the situation as the exodus of people to the nation's overfilled cities continues unabated thus aggravating urban housing crisis. To alleviate this situation, an additional 2.05 million housing units will be required (Ajakaye and Falokun, 2000). This is no doubt an Herculean task considering the current pace of housing supply from both public and private sources.

To get out of this quagmire, new innovations have to be encouraged. According to Mustapha (2002), this problem may persist for a long time as government bureaucracy is hardly compatible with timely initiatives. Where there is a constraint to efficient utilization of initiatives, the resultant effect is low productivity (Okewole, 2002). Even where the private sector and housing professionals brave all odds to come up with innovations, there is

little evidence that they are usually carried out by government (Gyuse, 1984). It is against this background that this study attempt to look at the various ways in which the Ogun State government's policy, measures and actions affect the development of innovative ideas and practices in the housing sector in the State.

### **Goal and objectives of study**

This paper identifies government actions and policies that have negative implications for innovative housing development in Ogun State and suggest appropriate corrective measures.

### **Objectives**

- i. To identify the Ogun state government policy and regulations guiding allocation of land; issuance of titles and planning permits, construction and allocation of houses etc.
- ii. To examine the level of compatibility of housing policies and regulations to innovative developments.
- iii. To recommend possible policy re-adjustments to facilitate meaningful innovation in the provision of housing for the teaming population of urban dwellers in Ogun state.

## **Methodology**

This study relied on secondary sources of data. Data collected from these sources were complimented by personal observations. In this connection, relevant data were obtained in respect of land allocation process, building approval process, direct housing development programme etc from the relevant government agencies. These agencies include Bureau of Lands and Survey (BLS) and Bureau of Urban and Physical Planning (BUPP), Office of the Governor, Abeokuta. The scope of the collected data is limited to the housing situation in Abeokuta, the state capital, whose current rate of urbanization has attracted a lot of attention in the recent time. These data were descriptively analysed to bring out the salient points of the study.

## **Conceptual Issue**

Agbola (1998) described policy as a plan of action, a statement of aim and ideas. He stated that housing policy can be regarded as a set of guidelines provided by government aimed at meeting the housing needs and demand of the people through a set of appropriate strategies including fiscal, institutions, legal and regulatory framework. This set of guidelines may not necessarily be in codified or documented form or a well-articulated one for it to be regarded as a bonafide policy. Gyuse (1984) observed that any course of action adopted by government either deliberately or as a matter of expediency after careful consideration of various alternatives is qualified to be called a policy.

From the foregoing, it could be argued that though many state governments may not have clear cut policy on housing apart from the 1991 National Housing Policy of the Federal Government which was reviewed in 2002 yet they are not without policy measures or guidelines that can be regarded as their own housing policies. In Ogun State, there exist such retinue of policies and regulations which directly or indirectly affect housing provision.

## **Policies And Innovation**

Advanced Learner's Dictionary (1995), defines innovation as introduction of new ideas, methods etc. Elsewhere, it is described as the introduction of new ideas, goods, services and practices intended to be useful (Chokor, 2005). Therefore, housing innovation can simply be conceived as the introduction of new ideas, practices etc for improved housing production and delivery. In other words, increased capacity to meet social housing should be the goal of any meaningful innovation. Where this is not the situation, it is either the people are not innovative or there is absence of conducive atmosphere for the development of innovation. The latter is likely to be the case of

Nigeria where record of outstanding innovations abounds in almost every aspect of housing but their utilization becomes a sore point. This situation left us with the option of examining the role of government policies in the development of meaningful innovations in the housing sector and the attainment of the objectives of such innovation.

## **Land Procurement And Development**

As in other states of the federation, land use control in urban centres of Ogun State is vested in the hands of the state Governor courtesy of the Land Use Act of 1978 which is still in operation in the country despite the widespread condemnation of the law as anti-development. The power which the law confers on the Governor alone constitutes a major stumbling block to private initiative on land procurement and development. Under section 35 (5) of the Act for instance, no one including the original owners of the land, can own more than half hectare of land thereby foreclosing the possibility of land subdivision (layout preparation) by land owning family for the convenience of family members and other members of the public. This authoritarian transfer of the ownership of all lands to the state Governor has also left the citizens and private users of land as mere users, Oyesiku (1998). This absolute power has left a lot of woes in its trail as far as land procurement from the state government is concerned. Apart from the exorbitant rate charged, which in some cases may triple the cost of procuring such land from private individuals, the process is unduly cumbersome. Investigation revealed that a plot of residential land at any of the government site and services schemes in the state capital cost not less than ₦0.5m while a commercial plot cost almost double of that amount. Table 1 revealed the list of sundry charges on a typical plot on government site and services land. This amount does not include other incidental expenses incurred on other documents required. An allottee would also be given two years to develop the land or risk revocation of the title. In addition, the allottee is compelled to put up a building worth not less than ₦2million (Section 4 of C. of O.). For a government that preaches the gospel of 'Low Cost' and affordable housing to insert such a clause into the official document is tantamount to speaking from both sides of the mouth. What that clause or section is saying is that any innovation that brings the cost of housing down below the specified ₦2million is not welcome on the government land. Where else do they expect the idea to be executed?

## **Building approval process**

This is another stage in the housing process where official regulations and action are clearly counterproductive if the goal of housing innovation

is massive housing production. It is surprising that at a time when professionals in the building industries are focusing on affordable housing technology and materials to ease the burden of the prospective house owners, the government on its part is engaging in astronomical increase of the charges on official regulatory services in the housing sector. Recently, at the peak of skyrocketing prices of building materials in the country, the government also jerked-up its own planning charged. The old rates were increased by about twenty-fold (2000%) in some cases (tables 2). It could be seen from the table that reviewed rate were mostly outrageous and arbitrarily fixed as the economic situation of an average Nigerian was not taken into consideration. Take the case of contravention fees, for instance, fixed at the rate of 500 per cent of the current assessment charge bearing in mind that the assessment charge has equally been jerked-up.

The action of government in this regard is not only capable of dampening the spirit of those who strive to bring down the cost of housing construction by the way of innovative ideas, it might also promote official corruption as those who could not afford these fees might resort to shady dealings with the aim of getting official approval through the back door.

### **Development of Local Building Materials**

High and unstable prices of imported building materials like cement, iron rods, roofing materials etc is responsible for high cost for building construction in the country. Therefore, it is not surprising that development of local substitutes for these materials gains more prominence than any other aspect of housing in term of innovative ideas form professionals in both private and public sectors. The frontline efforts of the Nigerian Building and Road Research Institute (NBRRI), Ota Ogun State and Centre for African Settlement and Development (CASAD), Ibadan are worthy of note in this area.

However, these efforts have not been allowed to yield much dividend due to insincerity of purpose and lack of political will to pursue popular acceptability of these locally developed building materials which have been found to be highly reliable, effective, durable and cheap (Folagbade and Olusola 2000; NHP, 2002; Okewole, 2002).

Despite the location of NBRRI in Ota Ogun State with its numerous research outputs in building industry and the availability of abundant clay, laterite and ceramic materials in the state for instance, the state has not deemed it fit to experiment with these materials in any of its 'Low Cost' housing estate in Abeokuta. In the last ten

years, two of such estates have been commissioned i.e. Ewang Estate, M.K.O. Abiola way and OGD Housing Estate, Asero with no traces of the use of locally developed alternative building material in any of two. This is against the spirit of section 6.3 (iii) of the reviewed National Policy on Housing which mandate governments to "encourage the use of locally manufactured building materials and lead by example".

### **Government Housing Programmes**

The direct involvement of the state government in the provision of housing can be divided into two methods i.e. the preparation of site and services schemes and the actual construction of housing units for onward allocation to the people. The desirability of government involvement in these two levels of housing provision is not the subject of discourse here as this has been well taken care of in many fora in the past. Rather, the focus here is the appraisal of the level of innovative inputs in the execution of these government housing programmes.

The concept of site and services itself is an innovative idea evolved in the quest for the minimization of housing budget through the provision of affordable building plots on a site provided with necessary amenities and infrastructures like roads, electricity, water supply etc. Regrettably, this concept has been accepted half-heartedly by the government as revealed not only in the high cost of plots provided in all the schemes surveyed in the city but also in the complete absence of basic infrastructures in virtually all of them except the Hill-Top Estate designed exclusively for high income earners which has a good network of roads, electricity and appropriate water reservoir among others. This selective implementation of a good concept is nothing but anti-innovation.

Similarly, core housing system is another good innovation targeted at helping the low-income earners to buy housing unit which they can afford with the in-built opportunity to expand such houses as their economic conditions improve. This is made possible by the provision of generous space around such housing units to pave way for future expansion. This study reveals that there is only one of such scheme in Abeokuta which is Ewang Estate. The scheme allocated to the beneficiaries in 1996 can be described as a success story in terms of meeting its objectives. From table 4, it was discovered that over 80% of the houses in the estate have undergone one form of expansion or the other in the last 9 years with the majority of the expansion works carried out in the one-bedroom flats. However, rather than consolidating on this achievement by embarking on more of this kind of

scheme the state government has since jettisoned the idea and instead resorting to the conventional 'Low Cost' housing scheme with little or no opportunity for future improvement. One might be tempted to ask what then is the usefulness of an idea tested and found useful only to be discarded later. Definitely this is not the way to encourage the development of innovative ideas.

### Policy Recommendations

The outcome of this research has proved the inevitability of policy shift if sustainable innovative ideas and practices are to be witnessed in the housing sector. This shift in policy focus would have to be all-embracing i.e. cut across the entire spectrum of the housing process for it to make meaningful impact in the quest for improved housing delivery. As a first step in this direction, the repeal or amendment of the much criticized Land Use Act of 2002 should be given utmost consideration, although it is a federal law, yet the state government can collaborate with the Federal Government towards ensuring timely amendment or repeal of the law in the interest of the people. At the state level, a comprehensive review of all policies and regulations that affect housing directly and indirectly should be undertaken. Such a review should aim at removing official bottlenecks capable of scaring away prospective house developers, be it individuals or organized private sector, especially the issue of exorbitant payment on the procurement of lands, processing of lands document and town planning services.

Similarly, the state government should lead by example in all matters of housing so as to encourage more inflow of innovation into the sector. Government should not only jettison the idea of pegging the value of housing development that can be undertaken on government scheme to the minimum of ₦2million but encourage the allottees of such a scheme to use locally made building materials like Adobe, Clay bricks and so on that would lead to a great reduction in the cost of building. As a matter of fact, government also needs to demonstrate the usage of these materials in many of her housing programme or projects. By this gesture, government would not only be assisting the innovators and producers of these materials to break-even but would also be encouraging more innovations in that area.

Lastly, the employment generation programme of the state government can also be used to promote greater housing delivery in the state by way of

incorporating housing related skills and vocations in the training programmes of the participants.

### Conclusion

The research has delve into the issues germane to the ineffectiveness of housing innovations largely because of the action or inaction of the state government as reflected in her policy measures and regulations. It has equally stated what is considered to be the appropriate directions for government policy in order to maximize the gain of available innovations in the housing industry and do encourage more of such innovations.

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**Table 1: Breakdown of Fees Payable on State Land off M.K.O. Abiola Way, Abeokuta (Commercial Plots)**

Types of Fees	Amount (₦)
Premium	325, 000.00
Capital Contribution	440,000.00
Annual Rent	12,500.00
Preparation Fee for C. of O	2,000.00
Registration Fee for C. of O.	2,000.00
C. of O. Execution Fee	75,000.00
Survey Fee	80,000.00
<b>Total</b>	<b>936,500.00</b>

Source: Bureau of Land & Survey, 2005.

**Table 2: Current and Revival Rates and Charges of Town Planning Services (August 2004).**

	Activities	Current Rate	Reviewed rate
1	Registration of building plans (a) Residential (b) Public/Commercial/Industrial	₦800.00 ₦900.00	₦1,500.00 ₦5,000.00
2	Administrative Charge	₦1,000.00	10% of Assessment Charged
3	Building plan assessment (a) Residential  (b) Public  (c) Commercial/Industrial	Volume x ₦1.00  Volume x ₦5.00	Volume x ₦15 Volume x ₦25 (depending on the Resident Zone) Volume x ₦25 – Volume x ₦40.00 (Depending on Zone) Volume x ₦50.00 Volume x ₦50.00
4	Purchase of Extra Copies of Approved Building Plan	₦1,000.00	20% of Current Assessment Fees Plus Administrative Charges
5	Renewal Fee For Lapsed Approved Building Plan	₦ 1,000.00	20% of Current Assessment Fees Admin. Charges
6	Petitions	₦ 400.00	₦ 5,000.00
7	Penalties for contraventions (All uses)	-	500% of The Current Assessment Charges

Source: Bureau of Urban and Physical Planning Office of the Governor, 2005

**Table 3: Level of Expansion by Housing Categories in Ewang Estate, Abeokuta.**

Housing categories	No Available	No Expanded	%
One – bedroom flat	60	52	88.7
Two – bedroom flat	40	31	77.5
Three – bedroom flat	20	16	

Source: Bureau of Urban and Physical Planning Office of the Governor, 2005