



# Urban Growth and Renewal in Nigeria: The Potency of Public Private Partnership

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## Abstract

Urban growth, development and renewal are integral part of the global focus on sustainable development in every nation. Without achieving a high level of urbanization, a Nation cannot claim to have achieved development. The study focuses on the examining the possibilities of enhancing urban growth and renewal through the public private partnership initiative. The study relied on secondary sources of data collection. The study was able to find out that the actuality of the private partnership initiative towards urban growth are usually endangered by the general climate of poor commitment, governance, policy formulation, execution gaps and disconnection as well as deliberate neglect and nonchalance created by the Nigerian government.

**Keywords:** Growth; Urban; Development; Public- Private; Renewal.

## 1. Introduction

Urban growth, development and renewal is an integral part of the global focus on sustainable development although the concept has become extremely controversial principally because it involves the destruction of businesses, the relocation of people and the use of eminent domain as a legal instrument to reclaim private property for purpose of city - initiated development programmes and projects. All the same, the trend is variously justified because of its potency for the renewal of residential slums and blighted commercial and industrial areas. The controversy around urban renewal therefore depicts and typifies an oscillation and a pull between two ends: a progressive economic and national development and a regressive mechanism for enriching the rich to the detriment of both taxpayers and the poor. In fact, many urban planners and civic leaders have dubbed urban development and renewal a failure, which largely culminated in its reformulation with a focus on redevelopment of existing communities. Yet, while urban renewal has not satisfied the yearnings and aspirations of its original proponents, it has undoubtedly played an undeniably critical role in cities across the globe particularly in the developed world. Thus, it continues to evolve and shape up as successes, failures are experienced and new models, and perspectives of development and redevelopment are tested, executed and evaluated.

In Nigeria, just like in most of Africa, the necessity for and the challenges of urban development and renewal are more visibly evident. This is because of bad governance, urban decay and deterioration, poor planning and revitalization efforts as well as commitment gaps and negligible private sector involvement and participation.

These concerns are suggestive of some gaps that the modest contribution of this study seeks to fill. Although the history of urban policy in Nigeria dates back to the colonial dispensation, urban development, renewal and administration was for a long time neglected in Africa, including Nigeria (Ugwu, 2011; Uyanga, 2011).

Efforts made by successive Nigerian governments to control the development and use of land, re-plan the improvement and development of different parts of Nigeria. They are to create a flexible framework within which cities can prosper and grow to make their contribution to the social and economic well-being of the country. However, the policies did not achieve much because of implementation gaps, policy proliferation and disconnection and poor commitment.

Urban development, renewal and administration are associated to the political and socio-economic services in the urban population centers of a nation as against the designated rural areas of the country (Sanni, 2010). They affect the whole range of governmental organization and processes for planning at all levels for purpose of decision-making and for the performance of public services related to urban areas (Green, 2011). Urban development, renewal and administration involve a complex macro-organizational approach that may have some common objectives, but, except in unique circumstances, have some profound goal conflict. They transcend local government administration, bearing in mind the complexity of urban affairs and the vital role urban centers play in the economic development of societies. Thus, urban development, renewal and administration calls for and usually involves a much wider governmental participation or jurisdiction usually assuming state wide or national character. It also connotes large-scale cooperation by the local, state or federal governments. In fact, there exists a mixed jurisdiction or horizontal approach to the complex urban problems or the challenges thrown up by the urban phenomenon (Udenta, 2011).

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Essentially, urban policies should strengthen public institutions that deliver services such as transportation, employment, health, education, sanitation rather than those that enable commodity producers to accumulate more capital and create the much-needed wealth (Idise, 2010). They should also involve a development strategy that is designed to tackle the problems of urban centers and small urban centers side by side with rural development and government institutions are expected to conform to the national development strategy that are intended to achieve specific objectives (Cohen, 2011).

In sum, comprehensive and coherent urban policies must clarify the appropriate role for the government with a focus on the imperative to improve the quality of both indigenous and new urban institutions, for the efficient, effective and productive functioning of cities in developing countries like Nigeria is critical to the achievement of economic growth and development goals. Thus, urban policy formulation and implementation serves as a guide to bringing about changes in the urbanization process including development and renewal initiatives and strategies. The study aims at examining ways to enhance urban growth and renewal in Nigeria through the public private partnership initiative.

## **2. Empirical Literature**

Urban renewal started as the concept of urban redevelopment. According to Buissink (1985), the concept has an America origin in the Housing Act of 1949, and was originally designed to clear, and restructure land use in the inner city which have developed into slums, and to develop in their place, a comprehensive programme of new residential and nonresidential development. In America, urban renewal refers to the redevelopment and/ or rehabilitation of older parts of towns and cities. In Britain, urban renewal is highly associated with the desire for housing upgrading and reform, especially in the interest of the urban poor (Onokerhoraye and Omuta, 1994). Urban renewal according to Roberts (2000), “is a normative concept and rooted in British urban policy. It leads to the resolution of urban problems and seeks to bring about a lasting improvement in the economic, physical, social and environmental conditions of an area that has been subjected to change”.

Although the main aim is to eliminate substandard and inadequate housing, urban renewal has become a catch-all for other strategies such as the revitalization of downtown, promotion of University or hospital centers, industrial redevelopment and the creation of new-towns-town (Zuckerman, 1991). In summary, urban renewal aims at improving the physical, social-economic and ecological aspects of urban areas through various actions including redevelopment, rehabilitation, and heritage preservation.

### **2.1. Concept of Urbanization**

Urbanization is a phenomenon that describes the process of change in the growth of population due to changing conditions in the society. It is equally a process of demographic, social, economic and physical change, which requires complex governmental action (Green, 2011). It is also associated with social economic and technological process of development. Like every other type of social change, urbanization hinges more on changes or alterations in the mode of interaction and behavioral patterns than on the availability of infrastructural facilities (Strein *et al.*, 2011).

Precisely, the technical term for this is urbanism, but urbanization is preferred because of its broad applicability and easy cognition. Urbanization is made possible mainly by mass communication, transportation; and the manifold nexus between urban dwellers and rural folks and it implies spread of urban influences to other neighboring areas (Anderson, 2011). As an ecological process of aggregating for a variety of reasons, it involves social transformation along with shifts in the pattern of population settlement and the locus of power and influence from the rural to the urban area. It is pertinent to state that urbanization precipitates changes in the pattern of behavior and values, which result from the ecological process of aggregating at one location large, dense and diverse persons.

### **2.2. Urban Development and Renewal in Nigeria: The Potency of Public Private Partnership**

Several efforts were made by the successive Nigerian governments to control the development and use of land, re-plan the improvement and development of different parts of Nigeria and to create a flexible framework within which cities can prosper and grow so as to make their contribution to the social and economic well-being of the country. However, the efforts did not achieve much because of implementation gaps, policy proliferation and disconnection and poor commitment. Essentially, urban policies should strengthen public institutions which deliver services such as transportation, employment, health, education, sanitation rather than those that enable commodity producers to accumulate more capital and create the much - needed wealth (Idise, 2010).

They should also involve a development strategy that is designed to tackle the problems of urban centers and small urban centers side by side with rural development and government institutions are expected to conform to the national development strategy that are intended to achieve specific objectives (Cohen, 2011).

In sum, comprehensive and coherent urban policies must clarify the appropriate role for the government with a focus on the imperative to improve the quality of both indigenous and new urban institutions, for the efficient, effective and productive functioning of cities in developing countries like Nigeria is critical to the achievement of economic growth and development goals. Thus, urban policy formulation and implementation is needed to serve as a guide.

### 2.3. The Potency of Public/Private Partnership for Accelerated Urban Development and Renewal in Nigeria

Public/private partnership is any collaboration between public bodies such as central governments and local authorities and private companies. It is a contrast between a public sector institution/municipality and a private party, in which the private party assumes substantial financial, technical and operational risk in the design, financing, building and operation of a business venture which is funded and operated through a partnership of government and one or more private sector companies. Partnerships between the public and private sectors are a cornerstone of government's modernization, development and renewal programme. They are arrangements between government and private sector entities for the purpose of providing public infrastructure (Sanni, 2010). The rationale for these partnerships is the need to harness the combined strengths of both the public and private sectors to establish complementary relations on the premises that both the public and private sectors have unique advantages in specific aspects of service or project delivery. Partnerships are delivering better quality public services by bringing in new investment and improved management and are helping state-owned business achieve their full potential. They are a key element in the government's strategy for delivering modern, high quality public services and promoting competitiveness (HM, 2011).

In some cases, government contributes part of the capital requirement through tax revenues or in kind (usually the transfer of existing assets e.g. land or shareholding rights). Operations will run jointly with the private sector or under contracts. In other types of partnership such as Private Finance Initiative (PFI), capital investments made by the private sector on the strength of a contract with or concession by the government to provide agreed services or exploit certain rights. In fact, many partnerships are attempting to address problems with public sector into public extension activities. These new approaches include subcontracting to the private sector and an extension voucher system, both of which have partial cost-recovery components (Umali, 2011). Notably, there has been a shift in the role of government in the provision of infrastructure. Governments around the world are retreating from the role of owner and operator of infrastructure services and placing greater emphasis on their new role as regulator of services provided by private firms (Antonio, 2010).

This shift has led to greater interest in the industries, including the use of independent regulatory agencies. While early attention focused on regulatory issues at the national level of government, the privatization wave is increasingly engulfing sub-national levels of government. Private sector participation was traditionally limited to separate planning, design or construction contracts on a fee for service basis and expanding the private sector role. Arguably, interest in promoting partnerships is not associated to the re-balancing of the respective roles of markets and states.

The patterns of partnerships and the extent of the activities in which states have collaborated with the private sector are therefore very important. The Public Health Act of 1875 and the Housing and Town Planning Act of 1909 in Britain, for instance, heralded an end to the era of relative *laissez faire*, bringing as they did the pioneering attempt to regulate the use of land in the interests of public welfare (Cherry, 2010). Although the legislation was significant, it did not alter the overall pattern of development produced by private developers and landowners with decisions over the use of land remaining largely a matter for market forces. The 1947 planning legislation of the British Government however sought a more fundamental realignment of the relationship between the state and the private sector (Pennington, 2011).

In Nigeria, the need for public/private partnerships cannot be overemphasized. This is principally due to the urban decay and poverty that has become prevalent or a commonplace. The deterioration that has permeated all imaginable sectors in the Nigeria has made partnerships a desideratum. Housing problems also remain largely unresolved which explains the necessity for the private sector and voluntary organizations to offer assistance because it has become apparent that the government unaided will not be able to provide an adequate supply of satisfactory housing to meet the wide variations in the income levels of all the people. All the same, lack of planning and poor commitment has created congestion, economic distortions which exacerbate the process of built-in physical decay and social disintegration. Thus, the problem of urban decay has transcended the piecemeal approach for improvement in urban development and renewal drive and it has reached a stage where large – scale rehabilitation is the only pragmatic and feasible panacea.

### 3. Concluding Remarks

Undoubtedly the potency of public/private partnerships as an acceptable intervention strategy for accelerated urban development and renewal in Nigeria is worthy of note. Similarly, the actuality of this initiative are usually endangered by the general climate of poor commitment and governance, policy formulation and execution gaps and disconnection as well as deliberate neglect and nonchalance created by the Nigerian government. This unfavorable enduring climate is not only discernable; it is also devastating with grave negative implications for national growth and development in Nigeria. The dismantling of the above constraining climate in view of the urban development and renewal dilemma and crisis in Nigeria is therefore a desideratum.

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