



## NATIONAL HOUSING POLICIES AND THE REALISATION OF IMPROVED HOUSING FOR ALL IN NIGERIA: AN ALTERNATIVE APPROACH

Kalu, Ijeoma E.<sup>1</sup> --- Agbarakwe, Henry Ugochukwu<sup>2</sup> --- Anowor, Oluchukwu F.<sup>3\*</sup>

<sup>1,2,3</sup> Department of Economics, Faculty of Social Sciences, University of Port Harcourt, Nigeria

### ABSTRACT

*The seventh goal of the MDGs is to ensure environmental sustainability which includes as its targets: increasing access to new technologies to support sustainable development by making information about sustainable practices more widespread, and bringing new technologies to rural areas such that people will be able to have better access to information and employment without having to migrate to urban areas; these would without doubt help to system the flow of rural-urban migration and as well stem the growth of slums. Good quality housing as a basic need is lacking for a sizeable number of people around the globe but seem most severe in developing economies including Nigeria. Also few houses are available, especially in the urban centers, to the ever increasing number of workers in both formal and informal sectors. The debates on the direction of housing and welfare policy have often been guided by assumptions derived from a preponderance of Anglo-American cases and perspectives. The purpose of this study is to present an alternative approach to housing policies especially in Nigeria; and we have come to the inescapable conclusion that housing is a social responsibility which cannot be left to the free play of market forces. This study therefore recommends the need to strengthen institutions and overhaul systems and processes for a more virile housing sector such that a balance between the urban housing units and the rural housing units could be attained.*

© 2014 AESS Publications. All Rights Reserved.

**Keywords:** Environmental sustainability, Housing sector, Urban housing, Rural housing, Slum, Orthodox-market, Productivity theory, Rural-urban migration.

### Contribution/ Originality

This study contributes in the existing literature and offers alternative view to the dominant approach to housing issues as it deviates significantly from the preponderance pro-market perspectives. It proffers a holistic approach to contain housing challenges.

## 1. INTRODUCTION

There has been a phenomenal rise in the population especially of city dwellers without a corresponding increase in units of housing which have consequently led to acute shortage of habitable dwelling units in Nigeria for the past three decades. The resultant effects are deplorable environment, overcrowding, inadequate and poor infrastructure, homelessness, poor living conditions, increased rate of poverty and its concomitant social vices, etc. Some scholars as observed by Mukhija (2004) have criticized public housing programmes for failing to provide quality, affordable and adequate housing units to target population in most developing countries. On the contrary view, studies, as reported in Ibem and Amole (2010), by Yeun *et al.* (2006); Sengupta and Tipple (2007); Akinmoladun and Oluwoye (2007); Ademiluyi and Raji (2008); Sengupta and Sharma (2008); Obeng-Odoom (2009); Fernandez-Maldonado and Bredenoord (2010); Mohit *et al.* (2010) suggested that governments in developing countries are not relenting in their efforts at addressing the problem of providing adequate, affordable and sustainable housing. Obviously, the provision of adequate housing for everyone as opined by Ubale *et al.* (2013) requires actions not only by governments, but by all sectors of the society including the private sectors, non-governmental organizations, communities and local authorities, as well as partner organizations and entities of the international community.

However, in more recent time, it is observed that the outcome of government efforts in addressing the housing challenges in many developing countries such as Nigeria is not well understood. According to the 1991 Nigerian National Housing Policy, Federal Republic of Nigeria lack adequate monitoring and evaluation of housing policy implementation; and this have contributed to failure of public housing programmes. This assertion was corroborated by Obashoro-John (2002) who noted that proper programme evaluation was rarely done in Nigeria, and as a result, it is very difficult to assess the real outcome of programmes in this country.

Several meanings are attached to housing; however, housing is literally seen as buildings, shelters, homes, a dwelling place, etc. where people live. Historically, housing was viewed as one of the major determinants of the standard of living achieved by households, it has a direct bearing, literally, on how well households lived. In other words, the kind of housing an individual occupies provides information about her/his status, standard of living and taste. In most communities in Nigeria, and indeed Africa, the type of house one occupies is predominantly used as yardstick to assess one's social status. The housing of a community also provides significantly reliable information on how rich or poor she is. Decent housing, in the sense of an adequate physical shelter, was the solution to one of Beveridge's 1942 five giants: "Squalor". The negative characteristics attributed to poor housing included detrimental effects on child socialization practices, poor attitudes toward education, low achievement motivation, social deviance and criminal behavior. Consequently, improved housing could generate beneficial impact in fields of health, longevity, education, and social pathology. Such investment has an additional economic dimension. Residential construction has a high labor-capital ratio, thereby increasing employment with small amounts of capital. This issue of labor utilization is important in countries with rapid rural-urban migration and high unemployment rates in growing urban areas. Higher levels of housing investment can therefore be justified on both social and economic grounds. For low-

income families, these welfare and economic connotations are particularly significant. Housing is also seen to provide a combination of services, the first and most basic of which is the shelter offered by the dwelling space. Secondly, in conjunction with the services of land and utilities, the dwelling provides a variety of environmental services: water supply, sewage and solid waste disposal, energy use, and so on. Thirdly, there is a range of locational advantages, including access to jobs (there are cases of people who managed to get paid jobs but lost them because of lack of accommodation in the city where the job existed) health and educational facilities, and recreation areas.

Reasoning along with the *productivity theory of housing investment* developed by Burns Leland and Grebler (1976) as cited in Chatterjee (1981), there is a direct relationship between improved housing quality and higher aspirations, greater efficiency, improved social relationships, improved health, and lower absenteeism among resident workers. The theory by translating social benefits into economic benefits, advanced the claims of residential construction on national resources from a perspective of economic efficiency, and questioned the validity of the simple capital-output ratio as a device for allocating investment. The theory claimed that conventional measures of output were inadequate because externalities or indirect benefits that accrued to the economy from increases in labor productivity were unaccounted for.

The rationale for consistent adequate housing in any society as summarized by Anyanwu (1997) are to minimise overcrowding, to provide for those without homes, to provide shelter for an ever increasing population, to maintain the existing houses and replace dilapidated ones, for health purpose, and to make improvement in housing technology. In addition to these benefits the quality of housing of a place, to a large extent, determines the health and lifespan of the inhabitants. Succinctly, it is for these needs that every government all over the world ought to attach so much importance to adequate and proper housing development.

In Nigeria, several governments since independence have seen housing as a major priority and for that reason it has adopted several policies in the past to try to eradicate the housing problems that exist in the country. All such interventions were borrowed from what obtains in the advanced economies and have all failed to yield expected result; as the problem has persisted. This work is aimed at showing why such interventions failed and suggesting an alternative approach to solving the housing problems.

The PAMOJA approach was adopted in carrying out the study of the problem. The approach is preferred here because it usually gives rise to a holistic solution to an identified problem. PAMOJA Inc. Vermont, USA is a consultancy organisation that does training and project evaluation jobs for MacArthur Foundation. They were sent to Nigeria by the MacArthur Foundation in 2004 and 2007 to train staff of four Nigerian universities on Fundraising Fundamentals (FunFun). It was pointed out in the course of the training that one approach to solving an intractable problem, as the one Nigeria has in the housing sub-sector, is to carry out a problem analysis. The strength and benefit of this approach is that it reveals to the researcher the root causes of the main problem at hand. The revealed root causes are the specific problems the researcher has to deal with in designing projects that will holistically deal with the main problem when completed. In line with our adopted approach (PAMOJA approach), we took a brief historical review of the efforts of the governments

to solve the housing problem in Nigeria, and attempt to show why each of them failed and then use the PAMOJA approach to study the housing problem and finally present what we see as an alternative policy intervention that is capable of providing a lasting solution to the housing problem.

## **2. A BRIEF HISTORY OF GOVERNMENT INTERVENTIONS IN THE HOUSING SUB-SECTOR**

### **2.1. The Orthodox Approach**

During the period of Third National Development Plan as observed by Anyanwu (1997), the government accepted the provision of housing for the public as part of her social responsibilities and adopted a number of measures to reduce the housing challenges facing the nation. Such measures consisted of both pro-socialist or command and pro-market approaches. Both approaches constitute what we have called the orthodox approach.

The included command approach direct participation in the sub-sector in construction of housing units for letting at subsidized rates and increased construction of quarters for government officials who also pay rent at subsidized rates. The pro-market approach included expansion of credit facilities to facilitate private construction of housing units; and increased production of cement and other construction inputs to bring down the price of housing inputs. The plan was to construct two hundred thousand (200,000) housing units and allocate to individuals. Apart from the failure of meeting the target, there was also the failure of allocating the newly constructed houses to Nigerians in need of the housing for ineffective demand. The ones that were sold were bought by the high income earners instead of the targeted low income earners.

As the 1980s came with dwindling oil revenue and the pressure from the international monetary organisations for restructuring of the economy along capitalist lines, Nigeria had no alternative than to comply by reducing government participation in the sub-sector. This led to a gradual abandonment of the command approach and the dominant utilization of the pro-market approach.

### **2.2. The Orthodox-Market Approach**

The government still wanted to continue with direct participation to facilitate the provision of housing but decided to sell them off after construction to the low income earners instead of letting. This gave rise to the National Low Cost Housing Scheme (NLCHS) which was launched in 1980 for this purpose. In this housing scheme, the government constructed low cost housing units with the aim of selling them to the low income earners as soon as they are completed. But the housing scheme also had similar problems to that of earlier programme. The houses when built were not affordable to the targeted group and by 1985 all uncompleted housing projects and unoccupied completed ones of the federal government were handed over to the state governments for completion and allocation. Yet the same problem persisted. In 1990 the federal government constructed 72 prototype three bedroom bungalows in Satellite Town, Lagos with the aim of providing affordable housing units for the low income earners. Unfortunately the same problems that bedevilled the earlier efforts still made it to fail.

The Federal Government finally decided to stop direct participation in the sub-sector in 1991 by coming up with the New National Housing Scheme (NHS) where it was to play the role of providing the enabling environment to enhance private sector participation. The housing policy has it that the federal government will through the Federal Mortgage Bank of Nigeria (FMBN) lend funds to the newly created Private Sector Mortgage Institutions (PMIs) who will, in turn, lend to individuals at subsidized rates. The capital was to be raised through a tripartite arrangement whereby the workers contribute 2.5% of their income, the banks 10% of their loanable fund and the insurance companies, 10% of their non-life fund and 20% of their life funds. Based on this arrangement the workers were to borrow from the fund, which is managed by the PMIs at lower interest rate to construct their private houses. This also failed like others because the banks saw it as a practice of slowing their profit which seemed like tying down their business capital in an unprofitable or low profit enterprise when there are higher profit alternatives; and also the minimum required annual mortgage to be paid by the low income class was higher than their annual income so it was obvious to investors that the new NHS cannot work. Between the late 1990s and now (2014) there have been repeated attempts to make the NHS work through refinements of the policies and appeals to private investors (both local and foreign) to invest in the sector. In 2002 another effort was made by the Olusegun Obasanjo's administration to provide affordable housing for the low income earners. Part of the reforms that were made was the 2002 National Housing Policy, the creation of Real Estate Developers Association of Nigeria (REDAN) and the Building Materials Producers Association of Nigeria (BUMPAN). With the reforms, improvement was made but supply of housing still fell far below demand and nothing significant was achieved in terms of providing affordable housing for the low income earners. Houses that were provided cost between N2.5m (\$15,151.52) and N5m (\$30,303.03) and were only affordable to workers on grade level 10 and above, [Chukwujekwu \(2006\)](#). Besides, all the obstacles of the past policies were still present. The researchers have also witnessed the government (particularly Rivers State government of Nigeria), especially the state, going back to directly construct houses and sell to the public at 'subsidized prices'. But all have failed to achieve the primary objective of providing affordable housing for the low income earners. The Rivers State government in Nigeria, under the leadership of Governor Peter Odili between 1999 and 2007, did something more radical than others. Serious attention was given to the rural areas and housing units were constructed in almost all the local government areas. But it is so unfortunate that at the time of this research more than 50% of those houses are only occupied by reptiles and insects culminating in monumental wastage in a state where resources are highly needed for development.

### **3. WHY PAST MARKET-EFFORTS OF GOVERNMENT FAILED AND SIMILAR**

#### **3.1. Subsequent Interventions Will Still Fail**

There are several reasons why the past market-efforts failed and will likely continue to fail. They are presented under the following sub-titles:

### 3.2. Poverty

The planners of the housing programmes did not take into considerations the fact that the buildings they were about constructing were to be occupied by the poor. If they did they would have understood that it is not possible for the low income earners to afford the kind of houses they constructed. They ought to have taken their income level into consideration. Income per annum as at then was as little as below ₦1500 (less than \$10 today) for the low income earners and therefore it was not possible for them to save much as most of the workers within this income bracket hardly saved up to 20% of their income.

### 3.3. High Cost of Housing Units

The housing units were placed for sale at prices over N25, 000 (\$152) per unit as at a time when middle and low income group were earning less than N200 (\$1.21) per month. It required more than a life-time for middle and low income earners to save such amount. So they simply ignored the buildings only for the high income earners and very senior civil servants to acquire and rent to them (those that could pay the rent), while most of them patronized slums.

### 3.4. Access to Credit Facilities

As pointed out by [Anyanwu \(1997\)](#) low income earners were denied access to credit facilities by the government and private mortgage institutions. The low income earners did not have the collaterals required by these institutions and could not face the stringent administrative conditions required.

### 3.5. Low Incentive to Investors

Another reason why the housing interventions of the past failed is because of very low incentives to investors. Investors are rational individuals and are profit-driven. They do not respond to mere pleas. No matter how conducive the economy is, without profit there is no incentive to invest. The government should therefore provide every other stimulating factor including tax holidays because without profit investors will prefer to keep their capital in banks. The Nigerian housing sub-sector does not have enough effective demand. [Akeju \(2007\)](#) estimated ₦2.8 M (\$16,970) as the selling price for a 2-bedroom flat. Unfortunately, most persons that can raise such amount of money will prefer to develop their own house gradually instead of going through the rigorous process of buying a built one. That is common in cities like Port Harcourt, Aba, Lagos, Onitsha, etc. In addition, an average worker believes that if he/she can generate such amount of fund in the near future he can as well gradually develop his house of three-bedroom flat or more with the same amount. The outcome is that such low income earners that can pay for 2-bedroom flat are not part of the demand while those who ask for such houses cannot effectively demand for it and they constitute the market demand for housing in Nigeria. For this reason there is little or no incentive for investors in the sub-sector. In fact the presence of unoccupied housing units in the country is enough disincentives for investors.

### **3.6. The Culture**

At retirement most Nigerians want to go home to participate more actively in the running of their communities as a Chief or a Titled-elder, etc. and this is practically difficult if you do not have a house to live in your village or community. In addition to this, there is the dominant believe in dual homes – a home in your village of origin and another in the city where you work. But out of these two homes, the priority of most Nigerians is to get a house at their villages of origin. And most times the house is not just a two bedroom flat; it must have enough rooms to accommodate his family and also provide accommodation for his younger relatives. For this reason supply of low cost housing in the cities have not been able to and may not attract enough effective demand in the near future.

### **3.7. Housing Units Sited at the Periphery**

Filani (1987) observed that in addition to the main problem of the houses not being affordable, the National Low Cost Housing (NLCH) programmes were located at the periphery of the city thereby creating higher cost of transportation to and from work for the occupants who are workers in the cities. It was also said that in some cases infrastructural facilities like water, electricity and good roads were not provided thereby creating a lot hardship and misery to occupants. For these reasons the worker will prefer to squat with friends and relatives inside the city or live in slums instead.

### **3.8. High Cost of Building Inputs**

High cost of housing inputs has also been identified as a major cause of failure of housing programmes in Nigeria. Naturally, when the price is high the demand for housing falls. It is the high cost of inputs that raises the overall price of a housing unit so high that it becomes unaffordable to the low income earners. Attempts by the government, according to Anyanwu (ibid), to force prices of building materials down also failed. This calls for intensive research to discover cheaper housing inputs. Unfortunately, the Nigerian government has not been supportive enough to research activities and her current attitude towards academics and research does not demonstrate any willingness to fund research.

### **3.9. Dominance of Foreign Inputs in Construction**

Virtually all inputs used in the construction of modern housing units are imported. Apart from sand, concrete and wood, all other inputs are not found locally and that is responsible for the high cost of the input and housing units as well.

### **3.10. Rural-Urban Drift**

Another factor complicating the housing problems in Nigeria is the rural-urban migration. The more efforts are made to accommodate the existing population in the cities and make life better the more people are migrating into the cities congesting them the more and over stretching the existing facilities. According to Mabogunje (2006), in housing today (2006), national housing shortage has already risen to 12 million housing units. With the current infrastructural circumstances in the rural

areas, the situation is not likely to abate in the near future and therefore the housing policies will likely continue to fail.

### 3.11. Summary

In summary, the economy is still plagued with poverty and sharp inequality gap with near absence of the middle class. If we take N2.8M (\$16,970) as the ongoing price for a two bedroom flat, with the low income earners earning as low as N18, 000 (\$109.1) per month under the current cost of living, then all efforts in providing such housing will amount to wastage of scarce resources. Such persons end up borrowing every month to supplement their income in ensuring daily consumption and therefore do not even think of saving to buy a house; and because of their circumstances, do not have collaterals and therefore restricted from access to credit facilities from the FMBN or other financial institutions. For these reasons, there remains the absence of incentives for both local and foreign investors in this sub-sector. Again the cultural impediments are still there and are not likely to change in near future. The prices of building material are still high and are likely to remain high since there are no reasonable efforts so far at local production and with continued rural-urban drift; it is most likely that the orthodox-market approach to the Nigerian housing problem will continue to fail.

## 4. AN ALTERNATIVE APPROACH

Since the purpose of this study is to present an alternative approach to housing policies, it is therefore important to view housing policy as social intervention programme. Evidence in literature abounds with reference to the social nature of housing requirements. Therefore housing should be referred to as a social good and inadequate housing conditions should be considered as a major social problem. The implication of this is that public planned actions and activities aimed at addressing challenges of inadequate housing conditions are conceived as social intervention programmes, and are evaluated as such across several disciplines. Evidences from the works of [Magutu \(1997\)](#); [Arimah \(2000\)](#); [Lall \(2002\)](#); [Hanson \*et al.\* \(2004\)](#); [Apparicio and Seguin \(2006\)](#); [Sengupta and Tipple \(2007\)](#); [Marcano and Ruprah \(2008\)](#) and [Obeng-Odoom \(2009\)](#) suggested that there is no single theoretical or conceptual framework for evaluating public housing policies. Rather, evaluators most often adopt approaches that best suited to the context of the policies evaluated. Such approaches are based on disciplinary ideologies and concepts, the context of the policy as well as purpose of the evaluation.

In consonance with the above statement, our argument is that a new approach to housing problem should be adopted especially in Nigeria. Nigeria had tried the pro-market approach for over three decades and it is not working due to peculiar socio-economic circumstances; and this bitter pill which has proven impotent in solving housing problems should not be swallowed over and over again. The classical economists persistently argue that in the long-run the market will heal whatever imperfections there are in the economy. The question is how long is this long-run? Is the long-run going to come when we are all dead and therefore may not be able to know whether the market system was able to heal the imperfections or not? One major characteristic of a third world (developing economies) economy according to [Jhingan \(2007\)](#) is that income is generally low and

as such purchasing power is low. For this reason some persons have suggested that salaries should be increased to enable the low income earners afford the price for housing so that the private sector driven housing schemes will work. But the associated inflationary pressure that goes with such increase in pay should give one a second thought because no sane government will do such salary increase without a corresponding increase in the supply of goods and services. Since one of the primary macroeconomic goals of every government is to control inflation and therefore it cannot simultaneously take actions that negate efforts to attain this goal. And as long as this situation and all other 'negative' socio-economic circumstances persist, efforts aimed at providing affordable housing to the low income earners via, solely, market-oriented will amount to futility.

Some scholars might be tempted to cite instances in the advanced western economies where the private sector driven housing schemes have succeeded without spending some time to study the history of housing in those economies. In the advanced market economies like US, Canada, UK, Germany, Japan and France, the government strongly intervened and is still intervening in the housing sub-sector (Mayo Stephen, 1981; Yinger, 2005; Doling and Ronald, 2010). These countries that are selling 'private sector driven' housing policy to Nigeria did not even use it in solving their own housing problems. Instead their governments strongly intervene in form of constructing housing units and renting them to low income earners at subsidized rates. The governments did not relent in this kind of massive investment in housing sub-sector until the problems were reduced to a bearable minimum (Meen, 1998; McMaster and Watkins, 1999). The world economy led and dominated by the classical economists doctrine abhors direct government intervention in the production of private goods and since we need an all-embracing solution that will provide a permanent cure to the housing problems in Nigeria, we therefore recommend the radical pro-market approach.

A problem analysis carried out on the Nigerian housing problem revealed a number of root causes. The first and most influential is *rural-urban drift*. The proportion of the Nigerian population living in urban centers has increased phenomenally over the years as a result of rural-urban drift. While only 7% of Nigerians lived in urban centers in the 1930s, and 10% in 1950s, by 1970, 1980 and 1990, 20%, 27% and 35% lived in the cities respectively Okupe (2002). Over 40% of Nigerians now live in urban centers of varying sizes. The incidence of this population in urban centers has created severe housing problems, resulting in overcrowding and inadequate dwellings. Some, especially the low income earners live in uncompleted building projects, in abandoned vehicles, under the flyovers and bridges and face the attendant risks. According to Chukwujekwu (2006) the 2002 Housing Policy has it that over 90% of the country's population fall within the low income group out of which 60% are said to be homeless.

Why did rural-urban drift? It is because of what Okowa (2006) called 'urban bias in Nigerian development' which started from the colonial era. Probably because of unavailable infrastructural facilities in the rural areas at the inception, or for proximity, ease of communication and administration, the government concentrated all the government ministries, agencies and parastatals at the capital cities. This attracted a large population of people seeking civil service jobs to the cities. In response to this, companies and business men were also attracted to the cities to be able to find contracts and markets for supply of their goods and services. This congested the cities and

exerted so much pressure on the existing facilities which in turn attracted more government attention to maintain and expand the provision of these facilities. The more this happened, the more people were attracted to the cities from the rural areas congesting it the more. The government therefore has to be occupied with making the cities more conducive for the dwellers and less attention is paid to the rural areas. This trend has continued till today. It is for this reason that the percentage of homeless Nigerians in the cities has risen and will continue to rise. And for the continued existence of the factors mentioned above, the government relying on the market forces for provision of affordable housing will never be able to cope with the problem. See the table below for estimates of the number of people living in the Nigerian cities from the 1930s to 2006 as a result of this exodus.

Table showing estimates of the number of people living in Nigerian cities from the 1930s to 2006

N/S	Years	Percentage of the Nigerian population Living in the Cities
1	1930s	07%
2	1950s	10%
3	1990s	35%
4	2002	43.3%
5	2006	50%

Source: Chukwujekwu (2006)

Prior to the discovery of oil, as pointed out by Chukwujekwu (2006), when agriculture was the mainstay of the Nigerian economy, the rural-urban migration was at the lowest ebb. That was between the 1930s and 1940s. The discovery of oil in the 1950s, the oil boom of the 1970s and the urban bias in the development strategy of Nigeria led to the massive exodus of Nigerians from the rural areas to the urban areas from the 1950s when it was just 10% to 35% in the 1990s. By 2002 the number of Nigerians living in the cities rose to 43.3 % and to 50 % in 2006 and it is estimated that by the year 2025, 65% of Nigerians will be living in the urban centres. It is unfortunate that all the government has been doing is really to address the symptoms of the unfortunate gross misallocation of scarce economic development resources instead of the root cause of the problem of the housing sector.

Another housing problem which is hardly mentioned in literature is the level of inefficiency in the sector. Almost every urban dweller (apart from the natives) is a dual home occupier occupying at least a house in the city and in his village of origin. In a typical Nigerian rural village especially the South-eastern and South-southern regions, it is only the elderly (mostly those on retirement) and few percentages of widows (about 20%) and their children whose daily jobs are base in the rural areas reside there. The rest of the population are urban dwellers and 95% of them are tenants living in rented apartments. Given to their socio-economic circumstances, majority of these people may never be able to own houses in the city but are all already having unoccupied rooms and houses in the village. Most of them rarely use these houses/rooms but only when they visit villages for meetings or ceremonies. Similar situation exist in most families, and in most villages in Nigeria. This implies that in Nigeria today, there are surplus housing units in the rural areas as more than

deficit housing units in the urban areas (though there is not enough houses for entire population). The supply is far higher than the demand in the rural area; while in the cities there is higher demand and shortage in supply of housing.

Obviously, the real problem bedevilling this sector is how to stop the rural-urban migration and how to channel those seeking for housing to where the housing units exist. The obvious fact here is that the market has failed disappointedly and left with the prevailing circumstances, will continue to fail in providing affordable housing for the masses even in the long run. We cannot afford to wait for the long run because even at that, [Keynes \(1936\)](#) has already pointed out that at the long run we are dead and will definitely not be able to know if the equilibrating mechanism of the market has provided affordable housing to the masses. It is under this kind of situation that Keynes (*ibid*) advised governments to intervene in regulating economic activities and providing basic infrastructure to stimulate economic growth and development. Market failure of this kind as observed by [Agiobenebo \(2003\)](#) invites government interventions in the production and distribution of the commodity which hitherto the private sector has not been able to provide.

The specific problems we have seen so far can be reduced to two namely the urban bias in Nigerian development and the inability of job seekers to find desired jobs in the rural areas. The only real solution lies in reversing the trend which is a fact no one including the governments with the right policies cannot run away from. In this case [Ohale and Agbarakwe \(2009\)](#) insisted that government should not only intervene but first of all should plan their intervention to be able to achieve the targeted objectives and the desired aspirations of the masses.

## 5. CONCLUSION AND RECOMMENDATIONS

The position of this study is that though the housing sub-sector should remain private sector driven given the current world socio-political and economic circumstances; but the government (especially state governments) should carry out the following actions to reverse the trend of rural–urban drift and solve the housing problem:

- I. There is need to strengthen institutions and overhaul systems and processes for a more virile housing sector especially in Nigeria and most developing economies.
- II. Decentralize the ministries and government parastatals from the state capitals (cities) to the rural or local government areas. This should be done after studying the economic strengths and capacities of their local government areas. For instance the Rivers State government in Nigeria could take Ministry of Agriculture to Etche Local government Area where there is abundance of arable land; take Ministry of Commerce & Industry to Ahoada Local Government Area for its strategic location; take Ministry of Finance to Ikwerre Local Government Area; take Ministry of Culture & Tourism to Asaritoru Local Government Area etc. This will force the workers of these ministries and the related firms to relocate to the rural areas and the unoccupied houses will start having effective demand at the short run. In the long run commercial activities will be boosted and employment opportunities will be created in the rural areas.
- III. Public and private sectors should provide the office complex of their ministries and branches respectively for aesthetic reasons and that of economy of space; a tower block

that has the capacity of accommodating its entire staff is preferred. There should be construction of housing units of the tower blocks which should be rented out at subsidized rates to the workers. Such tower blocks should be beautifully designed to enhance the aesthetics of the rural environment.

- IV. In addition, the rural areas should be planned and developed with provision of necessary infrastructural facilities and adequate capacity on a sustainable basis to ensure that there is no loss in welfare of the workers and to make the rural areas more conducive and attractive for investors.
- V. There should be provision of adequate legal and regulatory framework for a more efficient and effective housing delivery system that will attract especially private sector investors to develop affordable housing products particularly for the No- income, Low-income and Middle-income groups.
- VI. There are dire needs to promote the use of alternative building materials and new technologies in housing delivery.

## 6. POLICY IMPLICATIONS

A number of positive implications accrue. First, the demand pressure on housing and every other commodity in the cities will drastically fall while such demand will rise in the rural areas and create market for the excess supply that exist in the rural areas.

Secondly this will force price of housing units in the cities down and raise that of the rural areas.

Third as this happens, slums will naturally disappear for two obvious reasons: one, occupants will relocate to the rural areas where they will find greener pastures at cheaper comparative cost; two, others will be able to rent better quality housing as former occupants relocate to the rural areas and rent falls.

## REFERENCES

- Ademiluyi, A.I. and B.A. Raji, 2008. Public and private developers as agents in urban housing delivery in Sub-Saharan Africa: The situation in Lagos State. *Humanity & Social Sciences Journal*, 3(2): 143-150.
- Agiobenebo, T.J., 2003. *Public sector economics: Theories, issues and application*. Lima Computers, Port Harcourt.
- Akeju, A.A., 2007. *Challenges to providing affordable housing in Nigeria*. Abuja: Shehu Yar'adua Center.
- Akinmoladun, O.I. and J. Oluwoye, 2007. An assessment of why the problems of housing shortages persist in developing countries: A case of study of Lagos metropolis, Nigeria. *Pakistan Journal of Social Science*, 4(4): 589-598.
- Anyanwu, J.C., 1997. *The structure of the Nigerian economy (1960 - 1997)*. Onitsha: Joanee Educational Publishers Ltd.
- Apparicio, P. and A. Seguin, 2006. Measuring the accessibility of services and facilities for residents of public housing in montreal. *Urban Studies*, 43(1): 187-211.

- Arimah, B.C., 2000. Housing sector performance in global perspective a cross-city investigation. *Urban Studies*, 37(3): 2553-2579.
- Burns Leland, S. and L. Grebler, 1976. Resource allocation to housing investment: A comparative international study. *Economic Development and Cultural Change*, 25(1): 271-282.
- Chatterjee, L., 1981. Housing development in Nigeria occasional paper series, Agency for International Development Office of Housing, Boston. Available from <http://humanitarianlibrary.org/sites/default/files/2013/08/PNAAK030.pdf>.
- Chukwujekwu, I.E., 2006. Facilitating low cost housing scheme: Which way forward in housing today. *Journal of the Association of Housing Corporation of Nigeria (AHCN) ISSN* ), 1(10): 0331-9598.
- Doling, J. and R. Ronald, 2010. Home ownership and asset-based welfare. *J Hous and the Built Environ*, 25(2): 165-173.
- Fernandez-Maldonado, A.M. and J. Bredenoord, 2010. Progressive housing approaches in the current peruvian policies. *Habitat International*, 32(1): 11- 18. DOI 10.1016/j.habitatint.2009.11.018.
- Filani, M.O., 1987. Accessibility and urban poverty in Nigeria: The urban poor in Nigeria. Ibadan: Evans Brothers (Nigeria) Publishers Ltd.
- Hanson, G., R. Lloyd and B. Lorimer, 2004. Evaluation of the social housing programme. Yukon: Yukon Housing Corporation.
- Ibem, E.O. and O.O. Amole, 2010. Evaluation of public housing programmes in Nigeria: A theoretical and conceptual approach. *The Built & Human Environment Review*, 1(3): 88 - 117.
- Jhingan, M.L., 2007. The economics of development and planning. 33rd Edn., Delhi: Vrinda Publications (P) Ltd.
- Keynes, J.M., 1936. The general theory of employment, interest, and money. New York: Harcourt Brace.
- Lall, S., 2002. An evaluation of a public sector Low-Income housing project in Alwar, India. Working Paper No. 6 at Society for Development Studies in New Delhi-India Prepared for the DFID. Available from [http://practicalaction.org/docs/shelter/uhd\\_wp6\\_evaluation\\_on19thMay,2009](http://practicalaction.org/docs/shelter/uhd_wp6_evaluation_on19thMay,2009).
- Mabogunje, A., 2006. In housing today (2006). Taming the monster of housing affordability. *Journal of the Association of Housing Corporation of Nigeria (AHCN) ISSN* ) 0331-9598, 1(10).
- Magutu, J., 1997. An appraisal of chaani low-income housing programme in Kenya. *Environment and Urbanization*, 9(2): 307-320.
- Marcano, L. and I.J. Ruprah, 2008. Incapacity to pay or moral hazard? Public mortgage rates delinquency in Chile, OVE Working Papers No. 0308. Inter-American Development Bank, Office of Evaluation and Oversight (OVE).
- Mayo Stephen, K., 1981. Theory and estimation in the economics of housing demand. *Journal of Urban Economics*, 10(1): 95-116.
- McMaster, R. and C. Watkins, 1999. The economics of housing: The need for a new approach. Paper Presented at PRRES/AsRES/IRES Conference, 26-30 January 1999, Kuala Lumpur.
- Meen, G., 1998. 25 years of house price modelling in the UK. What have we learnt and where do we go from here? Paper Presented at the ENHR Conference, Cardiff.
- Mohit, M.A., M. Ibrahim and Y.R. Rashid, 2010. Assessment of residential satisfaction in newly designed public low-cost housing in Kuala Lumpur, Malaysia. *Habitat International*, 34(2): 18-27.

- Mukhija, V., 2004. The contradictions in enabling private developer of affordable housing: A cautionary case from India. *Urban Studies*, 4(11): 2231-2244.
- Obashoro-John, O., 2002. Programme evaluation in Nigeria: Challenges and prospects. Lagos: Department of Adult Education University of Lagos.
- Obeng-Odoom, F., 2009. Has the habitat for humanity housing scheme achieved its goal? A Ghanaian case study. *Journal Housing and the Built Environment*, 24(1): 67-84.
- Ohale, L. and H.U. Agbarakwe, 2009. An introduction to economic planning. Port Harcourt: Emhai Books.
- Okowa, W.J., 2006. Urban bias in Nigerian development: A study of the matthew effect in national development. Port Harcourt: Pam Unique Publishing Company Limited.
- Okupe, O., 2002. Problem of real estate developers in Nigeria, A Paper Presented at a Workshop Organized by the Nigerian Institute of Quantity Surveyors, Abuja.
- Sengupta, U. and S. Sharma, 2008. No longer sukumbasis: Challenges in grassroots –led squatter resettlement programme in kathmandu with special reference to Kirtipur housing project. *Habitat International*, 33(1): 34-44.
- Sengupta, U. and A.G. Tipple, 2007. The performance of public –sector housing in Kolkata, India in the post–reform milieu. *Urban Studies*, 44(10): 2009-2027.
- Ubale, M.Y., D. Martin and S.T. Wee, 2013. Comparative study between Malaysia and Nigeria formal low cost housing policy issues. *Asian Economic and Financial Review*, 3(7): 923-947.
- Yeun, B., A. Yeh, J.A. Stephen, G. Earl, J. Ting and L.K. Kwee, 2006. High-rise living Singapore public housing. *Urban Studies*, 42(3): 583-600.
- Yinger, J., 2005. Housing and commuting: The theory of urban residential structure. An e-Book, Version, 1.0: April 2005.

## **BIBLIOGRAPHY**

- Adesoji David, J., 2011. Urbanization challenges and housing delivery in Nigeria: The need for an effective policy framework for sustainable development. *International Review of Social Sciences and Humanities*, 2(1): 176-185.
- Arimah, B.C., 1999. Housing policy outcomes in global perspective: An application of discriminant analysis. *Netherlands Journal of Housing and the Built Environment*, 12 (3): 257– 280.
- Brasor, P. and M. Tsubuku, 2009. Japanese public-housing: Yen-for-living. Available from [japantimes.co.jp](http://japantimes.co.jp).
- Okowa, W.J., 1991. The political economy of development planning in Nigeria. Port Harcourt: Paragraphics.
- Onibukun, R., 1990. Urban housing in Nigeria. Ibadan: NISER.