THE NIGERIAN ECONOMY AND SUSTAINABLE BUILT ENVIRONMENT:

THE WAY FORWARD

BY:

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An opening ceremony speech at the 6th National Conference of the School
of Environmental Studies as Chairman and Special Guest of Honour held
at the Federal Polytechnic, Ilaro, International Conference Centre on the
9th of May, 2017.

PROTOCOL:

The Rector of the Federal Polytechnic Ilaro,

Distinguished Members of the Academic Board,

The Dean of the School of Environmental Studies Bldr. 'Tayo Fajuyitan,

Other Principal and Management Staff of the Polytechnic here present,

The entire students of the School of Environmental Studies,

Distinguished Guest Speakers,

Special Guests,

Members of the Fourth Estates,

Ladies and Gentlemen.
I feel highly honoured and delighted to be invited as the Chairman and Special Guest of honour at this very highly intellectual and professional based conference on “the Nigerian Economy and Sustainable built environment” with a proviso to considering a way forward.

A critical look at the calibre of keynote address of presenters as well as the various sub-themes of this conference, I asked myself whether I am actually qualified enough to be the Chairperson. Having said that, I humbly agreed with the Clarion call by our respected Dean of the School, to take up the challenge while trusting GOD to give me the wisdom required to be able to handle the assignment in the best way possible.

2.0 ABSTRACT:

2.1 The Nigeria nation has experienced very significant rapid urbanization rate resulting to transformation of smaller built environment into larger cities and mega-cities; and indeed to a large extent we have been experiencing growth of conurbations and megalopolis with their concomitant environmental, economic and social problems because our type of urbanization is neither planned nor resource-led.
Where there were attempts or semblance of deliberate Physical Planning, such were not resource-led and hence abandoned on shelves in our offices or libraries. Consequently, our built environment (cities) which admittedly are supposed to be centres and engines of economic growth as well as centres of innovation for the nation’s economy are proliferated with dysfunctional land use activities to the detriment of maximizing their respective growth potentials vis-à-vis the achievement of a desired environment that can adequately sustain the totality of our ecosystem.

2.2 Quoting from the renowned Academia, “today the role of cities as the engines of growth of national economy and a major tool for achieving sustainable development have assumed a centre stage in the first decades of the 21st Century, which has been tagged “an urban millennium”. This is because more people will be driven by new economic conditions, a redistribution of powers and social management (UN-HABITAT, 2002 and Leiberherr, 2004). There is now a consensus that cities should be regarded as entities to be properly governed in response to the generalized trend towards decentralization and democratization, and tackling the twin challenges of urbanization and globalization to redress the shortcomings of traditional approaches to urban management which cannot cope with growing demands by the private sector and urban dwellers access to basic services to ameliorate their growing impoverishment and vulnerability (Mathun, 1995; Leiberherr, 2004; and Pieterse 2000)”.
2.3 The true pictures of our Urban Development challenges or urbanization as succinctly summarized by the defunct Federal Ministry of Lands, Housing and Urban Development; are as stated below:

- The existence of physical duality, widening, inequality and exclusion: on one side, concentration of wealth in voluntary self-secluded areas, and on the other hand, concentration of misery characterized by the absence or poor maintenance of basic public utilities and infrastructure (water and sewerage, wastes disposal, road, public transport, electricity etc), poor housing or living conditions, and largely unplanned land use pattern(s). The proportion of the population living in urban slums has been rising over time.

- This pattern of population growth in urban centres have created joblessness, severe housing problems; resulting in overcrowding, inadequate dwellings, and in a situation where 60% of Nigerians can be said to be “houseless persons”.

- Urban sprawl and encroachment on ecologically sensitive areas.

- The sharp increase in the proportion of total population living in slum areas have led to the “Urbanization of Poverty”. The tale of two cities within a city as we find in Lagos and other Nigerian cities present one
of the most significant manifestations of urban revolution, as it alienates and marginalizes one part of the urban population from the other. It is an enormous threat to the political stability, social cohesion, and environmental balance of our cities.


2.4 Increasingly, Hall (2005) divides cities in developing countries into two groups – poor cities that grow at the cost of informality (i.e. without plan or spontaneously) and few cities that can cope with dynamic growth. Similarly, Blossom (1995), the Chief Technical Adviser attached to the sustainable Ibadan Project implemented under the Global Urban Management Programme funded by the UNDP, World Bank and UN-HABITAT, post that there are no urban governance in Nigeria.

As elucidated further by Professor Falade (NITP 41st Annual Conference Paper), there is neither legal provisions for nor the practice of Urban Governance. There are no Mayors. Yet as argued by Mila (2006), “without competent and accountable Urban Governance, much of the potential contributions of cities-in this context “Built environment” to national economic and social development will be lost
and by inference “our Economy and sustainable built environment” will be a mirage. This is very serious if we consider that as at year 2004, Nigeria as a Nation had 834 cities of up to one million population each. Because these cities, were not really guided by any serious physical planning, they suffer high entropy, and thus human activities generally are dysfunctional and un-coordinated to the detriment of having sustainable urban growth and development.

This is not to say that we do not have Laws, Regulations, and Institutions to guide National Economic Development via Physical Planning for the achievement of sustainable built environment in the Country such as National Urban and Regional Planning Law Decree 88 of 1992, and the States counterpart. Nigerian Urban and Regional Planning Commission (Federal Level) Urban and Regional Planning Board (State Level), Urban and Regional Planning Tribunal (Federal) and State Levels et al which were designed to ensure sustainable built environment but they are really not effective enough to guide the activities within our built environment. Generally, our built environment are manifestations of slum growth, blighted environment, and inefficient formal and informal economic activities. They are unattractive to major local and foreign
investors except for few cities like Lagos and Abuja, and now Ogun State. The latter because of massive road infrastructure development and security.

Consequently, an integrated, all embracing Physical Planning policy supported with modern technology and information systems such as GIS, remote sensing, smart-city or eco-city planning concepts, all embracing public participation, and resource-led Action Plans enveloped with maximum transparency and accountability are urgently required for radical changes for our National Economic and built environment to be sustainable.

2.5 Therefore, efforts of the Nigerian Government to promote sustainable urban development and reduce urban inequalities, based on the premise that the Nigerian built environment has an increasing vital role to play in creating the conditions for sustainable economic growth, improved environmental management, and poverty reduction should not be more of policy tokenism but real action based. Government must therefore endeavor to work the talk as it is being laid down presently in Ogun State. However, it is not by default that I have devoted much time on my abstract, it is meant to simplify my submission.
2.5.1 This paper is therefore structured into the following segments:

(a) An overview of the Nigerian Economy with its challenges and prospects.

(b) The definition of Built Environment and its relationship with the National Economy.

(c) The concept of Sustainability.

(d) The way forward.

(e) Conclusion.
3.0 AN OVERVIEW OF THE NIGERIAN ECONOMY

3.1 According to WIKIPEDIA, "Nigeria is a middle-income mixed economy and emerging market with expanding manufacturing, financial service, communications technology and entertainment sectors".

The World Bank records gives the following data on Nigeria economy:

<table>
<thead>
<tr>
<th>Table I:</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
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<tbody>
<tr>
<td>Population (million)</td>
<td>165</td>
<td>169</td>
<td>174</td>
<td>179</td>
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<tr>
<td>GDP per Capital (USD)</td>
<td>2,708</td>
<td>2,944</td>
<td>3,182</td>
<td>2,677</td>
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<tr>
<td>GDP (USD bn)</td>
<td>446</td>
<td>498</td>
<td>553</td>
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<tr>
<td>Economic Growth (GDP, annual variation in %)</td>
<td>4.2</td>
<td>5.5</td>
<td>6.2</td>
<td>2.8</td>
<td>-</td>
</tr>
<tr>
<td>Consumption annual variation in %</td>
<td>0.0</td>
<td>21.1</td>
<td>0.6</td>
<td>1.4</td>
<td>-</td>
</tr>
<tr>
<td>Investment (annual Variation in %)</td>
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<td>4.2</td>
<td>13.4</td>
<td>-1.3</td>
<td>-</td>
</tr>
<tr>
<td>Industrial production annual variation in %</td>
<td>1.5</td>
<td>0.0</td>
<td>5.5</td>
<td>0.3</td>
<td>-</td>
</tr>
<tr>
<td>Unemployment Rate</td>
<td>7.5</td>
<td>7.5</td>
<td>7.5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fiscal Balance % of GDP</td>
<td>-1.3</td>
<td>-1.4</td>
<td>-0.9</td>
<td>-1.6</td>
<td>-</td>
</tr>
<tr>
<td>Public Debt (% of GDP)</td>
<td>10.4</td>
<td>10.5</td>
<td>10.6</td>
<td>11.5</td>
<td></td>
</tr>
<tr>
<td>Money Annual Variation in %</td>
<td>16.4</td>
<td>1.3</td>
<td>20.6</td>
<td>5.8</td>
<td>-</td>
</tr>
<tr>
<td>Metric</td>
<td>2023</td>
<td>2022</td>
<td>2021</td>
<td>2020</td>
<td>2019</td>
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<td>------------------------------------</td>
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<tr>
<td>Inflation Rate CPI annual variation in % (cop)</td>
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<td>8.0</td>
<td>8.0</td>
<td>9.6</td>
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<tr>
<td>Inflation Rate CPI annual variation in %</td>
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<td>8.5</td>
<td>8.1</td>
<td>9.0</td>
<td>-</td>
</tr>
<tr>
<td>Policy interest Rate (%)</td>
<td>12.00</td>
<td>12.00</td>
<td>13.00</td>
<td>11.00</td>
<td>-</td>
</tr>
<tr>
<td>Exchange Rate (vs USD app)</td>
<td>156.2</td>
<td>160.0</td>
<td>183.0</td>
<td>199.1</td>
<td>-</td>
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<tr>
<td>Current Account (% of GDP)</td>
<td>4.2</td>
<td>4.0</td>
<td>0.2</td>
<td>-3.2</td>
<td>-</td>
</tr>
<tr>
<td>Current Account Balance (USD bn)</td>
<td>18.9</td>
<td>20.1</td>
<td>1.3</td>
<td>-15.4</td>
<td>-</td>
</tr>
<tr>
<td>Trade Balance (USD Billion)</td>
<td>40.9</td>
<td>43.8</td>
<td>21.0</td>
<td>-6.4</td>
<td>-</td>
</tr>
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<td>Exports (USD billion)</td>
<td>94.3</td>
<td>95.1</td>
<td>82.6</td>
<td>45.9</td>
<td>-</td>
</tr>
<tr>
<td>Imports (USD billion)</td>
<td>53.4</td>
<td>51.4</td>
<td>61.6</td>
<td>52.3</td>
<td>-</td>
</tr>
<tr>
<td>Exports annual variation in %</td>
<td>-2.9</td>
<td>0.8</td>
<td>-13.2</td>
<td>-44.4</td>
<td>-</td>
</tr>
<tr>
<td>Imports (annual variation in %)</td>
<td>-14.1</td>
<td>-3.8</td>
<td>19.9</td>
<td>-15.0</td>
<td>-</td>
</tr>
<tr>
<td>International Reserves USD</td>
<td>2.8</td>
<td>4.2</td>
<td>13.4</td>
<td>-1.3</td>
<td>-</td>
</tr>
<tr>
<td>Investment (annual Variation in %)</td>
<td>44.2</td>
<td>43.6</td>
<td>34.54</td>
<td>29.1</td>
<td>-</td>
</tr>
<tr>
<td>External Debt (% of GDP)</td>
<td>1.5</td>
<td>1.8</td>
<td>1.8</td>
<td>2.2</td>
<td>-</td>
</tr>
</tbody>
</table>
3.2 The Nigerian economy grew by 2.7% in 2015, significantly below its growth of 6.3% in 2014. Since the fall in oil price in mid-2014 growth has been on a downward spiral and the economy has been in a recession since two consecutive quarters of year 2016. Inflation rate by projection was doubled at the end of 2016 to 18.8% due to price increase in fuel and electricity.

3.3 From the above it is clear that the Nigerian economy has had a sluggish growth outlook since year 2015 with the rate dropping to an estimated 3.0% in December, 2015. Thus the Federal Government’s efforts to redress this led to the adoption of expansionary 2016 budget with the primary aim of stimulating the economy and the need to diversify same against the current mono-oil based revenue economy. The Federal Government emphasis is now on multi-none oil revenue based sectors such as; mining, agriculture, infrastructure development, transport, tourism, energy, improvement on ease of doing businesses, private sector participation, positive discrimination in the allocation of the limited foreign exchange, to more productive sectors such as industries, agro-based, tourism, service telecommunication and information technology.

Government economic policy is also focused on reducing unemployment levels, other areas of focus by the Federal Government are:

- Rationalisation of public sector in order to reduce cost of Government.
- Enforcement of the single treasury account to block financial leakages.
Renewed efforts at enforcement of tax compliance.

Preparation of zero-budgeting starting from 2016.

Increasing the ratio of capital to recurrent expenditure to 30:70.

Women empowerment.

Youth empowerment vis-à-vis reduction of unemployment and poverty level.

3.4 However, security remains a major challenge in the Northeast due to nefarious activities of the Boko Haram, though the Nigerian Military has been doing wonderful job to put them under zero level. The issues of kidnapping in the South East and by extension pocket (incidences) of kidnapping in the Southwest are major security challenge which cannot allow for:

- Peaceful and sustainable environment for businesses to flourish and new ones to be established. It always engender fears, instability, environmental disturbance through bombing of houses and other social basic infrastructure.

The built environment is actually in danger and as already noted earlier cities (built environment) are “the engines for national economic development”. Callous destruction of Government and private sector infrastructure such as, oil-pipeline, refineries, offices, residential and
indeed re-settlement camps for the displaced persons can hardly guarantee sustainable built environment and national economic prosperity.

3.5 Arising from the above, one can confidentially say without any fear of contradiction that the Nigeria Economy and sustainable built environment in the recent years have been adversely affected by the exogenous shocks in foreign trade particularly the spiral fall in global price of crude oil, and the endogenous shocks due mainly to long term dependency on crude oil, insurgencies such as Boko-Haram in the Northeast, the Niger-Delta militant vis-à-vis their wanton regressive destructions of oil-pipelines, refineries and other crude oil paraphernalia located in the South-South, while kidnapping of business executives, politicians and other wealthy individuals for ransom, exploitation of natural mineral resources without regards to the physical environment tolerance limit, poverty, unemployment rates. Housing stock deficiencies, lack of compliance to few environmental development enabling laws such as Environmental Impact Analysis of major projects. Planning Regulations and Standards, Urban containment policy and an integrated land use planning at both the
three tier levels of Government constitute significantly to the Built Environment dysfunction and hence problems inhibiting the Nigeria Economy and Sustainable Built Environment.

3.6 However, before I come to my final conclusion and suggestions on the way forward. I will like for the sake of emphasis and clarity to discuss briefly on what we mean by “Built Environment” and “Sustainable Environment or Sustainability”.

3.6.1 Built Environment:

In social science, built environment refers primarily to man-made, ranging in scale from buildings to park (recreation). It has also been defined by the pundits as the “humanitarian-made space” in which people live, work and recreate on a day to day “basis”. (Source Built Environment- Wikipedia (http://en.m\'wikipedia.org/wiki/Built_environment, 2017)

4.0 THE WAY FORWARD:

4.1 There is no doubt that our Built Environment has been growing at an alarming rate in the past fifty years.
As at year 2004, we have on record, eight hundred and forty-three cities with about six of them having population of one million and above. Cases of serious urban sprawl or conurbations have been identified for example; along Lagos-Ibadan, Lagos-Otta, Lagos-Epe, Kano, Kano-Keffi axis respectively. Same for Onitsha-Ogbaru-Awka corridors.

4.1.2 In Ogun State for example, the Regional Development Plan identified 19 towns of 20,000 population and above in 2005 and projected that by the year 2025, the numbers would be doubled to 48.

Currently, this figure of 48 urban Settlements have been met following the massive and State-wide Urban Renewal Major Road development by the present administration of His Excellency, Senator Ibikunle Amosun CON FCA on his Re-build Mission for the State. These Ogun Standard Roads have opened up the semi-urban and rural areas resulting into influx of people, increased activity rate, job opportunities, new and expanded towns.

4.1.3 However, since the Nigerian economy and sustainable Built Environment are about the people and their activity rates it requires collective actions of the people and political will on the part of the Government at all levels to accept the challenges and contribute positively; such
that the challenges can be made opportunities to the growth of the National economy and achievement of a sustainable built environment for all and sundry.

We must together invest for the sake of our future on a holistic integrated physical planning and socio-economic infrastructure. We must embrace and work for peace and tranquility necessary to make our Built Environment, safe, livable, equitable and sustainable.

This becomes pertinent because our built environment where the national economy depends largely is a system in which every part of it like the Northeast, South-South, Southeast and the Southwest must work in harmony.

Good governance, transparency and corruptionless are Sine qua non to the achievement of a sustainable built environment and National Economy. Urban containment policy must be embraced to nip in the bud the problems associated with urban sprawl which ab initio are detrimental to the achievement of sustainable environment.

4.1.4 We have the enabling Laws and Institutions to guide physical planning, control of development, and all forms of Land use operations. The concept of Urban Management (Mayor or Chairman et al) or whatever
nomenclature we want it to be must be explored. This is to enable the city Government work harmoniously with all the Stakeholders - the civic society, private sector, and the local communities irrespective of their socio-economic status. They must be statutorily mandated to actively participate in the planning, control and management of our Built environment.

The process of converting our farm lands, water catchment areas, areas of scenic or natural beauty, game reserves, forestry and the like into offices, new town, businesses, mining operation, and other forms of development must be democratized and decision to be people-oriented.

4.1.5 It is sad however that very few States and probably the nation has no up to date base-maps to plan and work with. The Federal Government needs to urgently embark on global mapping of the Country both for mineral resources extraction, forestry, and in particular for the Built environment. High resolution digital maps are very necessary for our built environment for upward regular physical planning monitoring, control and land management. Urban planners and other building industry professionals require continuous training in urban management
and information technology, since they are the gatekeepers of our built environment.

4.1.6 Our young ones must be adequately trained in GIS, Remote sensing, new technology for infrastructure designs and development, new housing methods (i.e Smart Building Solution, single “green” building or eco-labelled product etc).

4.1.7 Government must endeavor to reduce the levels of societal inequality and segregation. People must be given the possibility to become the key resource of our built environment.

4.1.8 The concept of integrated planning must be pursued for ease of achieving sustainable urban/cities infrastructure development. The prevailing assumption based on economy must shift to ecology and socio-cultural inputs. For example, project assessments must not be based on marginal cost and marginal benefits alone, social costs and social benefit must always be given consideration if we are to truly achieve sustainable built environment.

4.1.9 Government needs to do more on Land Management. As succinctly put by Patrick-MCA-uslan and Catherine Farque UN-CHS (Habitat), the causes of manifest dysfunction of Land Market “are that too much
reliance is put on Public Authorities as the prime mover in Land Management, excessive bureaucracy and inadequate Institutional arrangement slow up or hinder land transfer, burdensome regulations inflate the cost of development, support system from UNDP, World Bank and UNCHS (Habitat) are not capable of facilitating Land Transaction”.

4.1.10 Obviously, these have created disincentives to private investors and as the World Bank recently noted “Some States have been labelled as difficult to invest in”.

For your information Ogun State is no longer one of them. It’s now ranks top 4 of the States in Nigeria with ease of doing business. These are the result of major innovations in Land transaction. (new urban land policy). Issuance of development permits and Registration of businesses put in place in the State by the present Administration led by His Excellency, Senator Ibikunle Amosun CON, FCA, the Executive Governor of Ogun State.
5.0 **CONCLUSION:**

Ladies and gentlemen, vibrant Nigerian Economy and sustainable Built Environment is our collective responsibilities. We must not sit on the fence, but join the Government efforts to make our National economy and Built environment investors friendly, attractive and sustainable.

The operative enabling Regulations and Standards guiding our economic activities and Built Environment are relatively good enough if all and sundry do our parts religiously with hardwork, sincerity, corruptionless, innovations, ethnic unison, and strict obedience to the rules.

Thank you.