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FACTORS MILITATING AGAINST EFFECTIVE PRIVATE SECTOR PARTICIPATION IN THE UPGRADING OF SLUMS AND SHANTY TOWNS IN NIGER STATE, NIGERIA.

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Abstract

In rebuilding the built environment, upgrading of slums and shanty towns is one of the main activities. It requires enormous time, skills and resources. Because of this, governments the world over partner with private sector in the upgrading of slums and shanty towns in their domains. This paper examines the factors militating against effective private sector participation in the upgrading of slums and shanty towns in Nigeria, with particular focus on Niger State. Data were collected using structured questionnaires based on the target population for the study. The target population for the study comprises private real estate developers, urban planners, building and civil engineering contractors operating in the state. The paper argues that the private sector is yet to participate effectively in the upgrading of slums and shanty towns in Niger State. The paper concludes that this is due to some factors, important of which are inaccessibility to development finance, absence of reliable database on the viability of urban development projects, high cost of services by built environment professionals and lack of government regulatory framework.

Keywords: slums, shanty towns, private sector, participation, slums upgrading.

Introduction

One of the challenges of urbanization globally is the growth of slums and shanty towns. It has been estimated by the United Nations that at least one billion people, about 20% of the world's population live in crowded, unsanitary slums of the central cities and the vast shanty towns and squatter settlements that ring the outskirts of most third world cities (UN, 2003). The UN attributed the formation of these slums to among other things, the rapid pace of rural – to – urban migration and the urbanization of Africa, Asia, and Latin America. The UN findings also revealed that Sub – Saharan Africa had the highest rate of slum- dwellers with 72% of the urban population living in slums while Nigeria has a slum population of 70%. Thus, Niger State with a total population of 3,950,249 people (FGN, 2007) has an estimated population of 2,765,174 people living in shanty towns and slum – like conditions. According to Lean and Goodall (1966), the existence of slums and shanty towns and congestion of urban facilities are the manifestation of the problems associated with urban growth. Slums also constitute blighted areas of a city where all the characteristics of urban degeneration are concentrated in their worst forms (Harvey, 1992). Also, Falade (2006) describes urban slums as residential areas that lack adequate access to water and sanitation, security of tenure, poor structural quality of housing and insufficient living area.

On the other hand, shanty towns or "shanties" as they are sometimes called are informal settlements, comprising units of irregular, crude and low - cost dwellings usually on lands belonging to third parties, and most often located in the periphery of the cities. According to Environmental Encyclopedia (2005), these dwellings are often assembled in a patch – work fashion from pieces of plywood, corrugated metal, sheets of plastic and any other material that will provide cover. However, the upgrading of slums and shanty towns is one of the main activities of rebuilding the built environment. It requires enormous time, skills and resources. Because of this, governments the world over partner with the private sector

in the upgrading of slums and shanty towns in their territories. In Nigeria, and particularly Niger State, the much orchestrated private sector participation in urban regeneration and development appears to be ineffective, particularly in the upgrading of slums and shanty towns. It is on this basis that this paper examines the factors militating against effective private sector participation in the upgrading of slums and shanty towns in Niger State, Nigeria.

Economics of Slums Upgrading In Nigeria

Slums and shanty towns in Nigerian cities and elsewhere are characterized by poor housing quality, poor sanitary condition, poor infrastructure and prevalence of urban poverty (UN, 2003; Hove, 2006). According to the United Nations (2003), upgrading of the world's slums and shanty towns requires increased political will, investment in infrastructure, proactive urban planning and empowerment of the urban poor. In Nigeria, successive governments at all levels since independence have initiated measures aimed at improving the lives and well-being of slum dwellers in the country. These measures include urban planning, urban mass housing, and rehabilitation of urban infrastructure such as roads, water supply facilities, electricity and poverty alleviation programmes. The Nigerian Urban and Regional Planning Decree (now Act) of 1992 recognizes the need for the upgrading of shanty towns in Nigerian cities. Section 80 of the Act provides inter alia as follows:-

(1) *"A local plan to which section 11 of this Act applies may designate and the appropriate authority may, after the plan has been approved, by order published in the Gazette, declare, any part of the area for which such plan has been made to be an improvement area for the purpose of rehabilitating, renovating and upgrading the physical environment, social facilities and infrastructure of the area".*

(2) *"The rehabilitation, renovation and upgrading may be brought about through the combined efforts of the residents of the area concerned, the Control department and any other statutory bodies as may be relevant and complimentary to the rehabilitation, renovation or upgrading of the area".*

As stated in section 80(1) of the Act above, slums upgrading involves upgrading the physical environment, social facilities and infrastructure of the blighted area covered by a local plan. This entails urban renewal, improvement of housing quality, rehabilitation of roads, water supply facilities, electricity, sewers and other infrastructure. These activities are carried out by real estate developers, urban planners, building and civil engineering contractors and professionals in the built environment.

Methodology and Data

Data were collected for this study using structured questionnaires. The respondents were selected from the target population for the study through purposive sampling technique. The target population for the study comprises private real estate developers, urban planners, building and civil engineering contractors operating in Niger State. A total of 22 respondents were selected and questionnaires administered to them. Out of these, only 16 questionnaires were completed and returned, representing 72.7% of the questionnaires distributed. The small size of the sample is due to the small number of private real estate developers, urban planners, building and civil engineering contractors operating in the state. Data collected are based on the responses extracted from the questionnaires returned by the respondents. These are presented in Tables 1-10 as follows:-

Table 1: Composition of Respondents

Occupation	No. of Respondents
Real Estate Developer	10 (62.5%)
Urban planner	4 (25%)
Building & Civil Engineering Contractors	2 (12.5%)
Total	16 (100%)

Source: Author's Field Data (2007)

Table 2: Respondents' prior involvement in urban development projects in Niger State

Response	No. of Respondents
Yes	11 (68.75)
No	5 (31.25%)
Total	16 (100%)

Source: Author's Field Data (2007)

Table 3: Nature of urban development project proposals of Respondents awaiting execution

Urban Development Project Proposal	No. of Respondents
Road construction	1 (6.25%)
Road rehabilitation	1 (6.25%)
Housing development	8 (50%)
Building maintenance	2 (12.5%)
Water supply	1 (6.25%)
Electricity	1 (6.25%)
Waste management	2 (12.5%)
Total	16 (100%)

Source: Author's Field Data (2007)

Table 4: Respondents' access to data on the viability of their proposed urban projects

Response	No. of Respondents
Yes	9 (56.25%)
No	7 (43.75%)
Total	16 (100%)

Source: Author's Field Data (2007)

Table 5: Respondents' assessment of the reliability of data on viability of their proposed urban projects

Attribute	No. of Respondents
Very reliable	2 (12.5%)
Reliable	3 (18.75%)
Not reliable	7 (43.75%)
Indifferent	4 (25%)
Total	16(100%)

Source: Author's Field Data (2007)

Table 6: Respondents' possession of skills necessary for the execution of their proposed urban projects

Response	No. of Respondents
Yes	6 (37.5%)
No	7 (43.75%)
Indifferent	3 (18.75%)
Total	16 (100%)

Source: Author's Field Data (2007)

Table 7: Respondents' description of their affordability of cost of services by built environment professionals.

Attribute	No. of Respondents
Highly affordable	2 (12.5%)
Affordable	2 (12.5%)
Not affordable	8 (50%)
Indifferent	4 (25%)
Total	16 (100%)

Source: Author's Field Data (2007)

Table 8: Respondents' application to lending agencies for financing of their proposed urban projects

Lending Agency	No. of Respondents
Commercial banks	2 (12.5%)
Mortgage banks	3 (18.75)
Urban development bank	7 (43.75%)
Direct funding by government	4 (25%)
Total	16 (100%)

Source: Author's Field Data (2007)

Table 9: Respondents' access to finance from the lending agencies in Table 8

Response	No. of Respondents
Yes	1 (6.25%)
No	12 (75%)
Indifferent	3 (18.75)
Total	16 (100%)

Source: Author's Field Data (2007)

Table 10: Respondents' readiness to partner with the government on the execution of their proposed urban projects

Response	No. of Respondents
Yes	13 (81.25%)
No	2 (12.5%)
Indifferent	1 (6.25%)
Total	16 (100%)

Source: Author's Field Data (2007)

Results and Discussion

Based on the responses provided by the respondents in the questionnaires, expected frequencies of these responses were obtained. The observed frequencies and expected

frequencies of particular variables such as access to development finance, reliability of data on viability of the respondents' urban projects, respondents' affordability of cost of services by built environment professionals and respondents' readiness to partner with the government on the execution of their proposed urban projects were compared using Chi-square test. The significance of the X^2 test was determined by comparing the calculated X^2 value with the critical (tabulated) X^2 at 0.05 and 0.01 levels of significance and at appropriate degrees of freedom. The chi-square test was computed with the following expression:-

$$X^2 = \frac{(O-E)^2}{E}$$

Where X^2 = Computed chi-square value
O = Observed frequency
E = Expected frequency

Table 11: Results of Chi-square test

Variable	X^2 Value			Nature of X^2 test
	Computed X^2	Critical X^2 @ $\alpha = 0.05$	Critical X^2 @ $\alpha = 0.01$	
(a) Inaccessibility to development finance by the respondents.	12.96	5.99	9.21	Significant
(b) Reliability of data on the viability of the respondents' proposed urban projects.	3.50	7.82	11.34	Not significant
(c) Respondents' affordability of cost of services by built environment professionals.	6.00	7.82	11.34	Not significant
(d) Respondents' readiness to partner with the government on the execution of their proposed urban projects.	16.73	5.99	9.21	Significant

Source: Computed from data in tables 5,7,9 and 10

Results of the X^2 test presented in Table 11 above shows that a comparison of the observed and expected frequencies of two variables, namely, reliability of data on viability of the respondents' proposed urban projects and respondents' affordability of cost of services by built environment professionals are not significant. The implication of this is that, data on the viability of the respondents' proposed urban projects are unreliable while respondents cannot afford the cost of services by built environment professionals to execute their proposed urban projects. Also, a comparison of the observed and expected frequencies of the other two variables, namely inaccessibility to development finance by the respondents and respondents' readiness to partner with the government to execute their proposed urban projects are significant. This implies that respondents cannot access development finance to execute their proposed urban projects and they are ready to partner with the government on the execution of their proposed urban projects respectively.

Findings
The private sector in Niger State can participate effectively in the development of urban projects in the state. These projects are necessary for the upgrading of slums and shanty towns in urban areas of the state. They include road construction, road rehabilitation, housing development, maintenance of buildings, water supply, electricity and waste management. However, the participation of the private sector in urban development in the state is seriously challenged by inaccessibility to development finance, absence of reliable data base on the viability of urban development projects, high cost of services by built environment professionals and lack of government regulatory framework to regulate private sector participation in urban development.

Conclusion

The private sector in Niger State is ready to partner with the government in the development and rehabilitation of urban infrastructure, social facilities and upgrading of the physical environment in urban areas of the state. This is evidenced by the existence of various urban development projects proposed by the private sector awaiting execution. The willingness of the government to develop a regulatory framework and partner with the private sector in this regard would in no small measure facilitate effective participation of the private sector in the upgrading of slums and shanty towns in Niger State.

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