



# Re-thinking Shelter Strategies in Lagos, Nigeria: A Panacea for Attaining a Global City Status

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### ABSTRACT

Although Lagos, Nigeria is classified among the largest cities in the world, there are uncertainties about whether its quest to become a global city can materialize if its growth continues to be inundated by problems of shelter deprivation. The current population estimate of Lagos is over 17.0 million. It is known that 60-70% of this figure are scattered among the 200 officially recognized slum settlements in the city. The implication is that the quality of life of many urban dwellers that constitute the human resource base of the city will be compromised if prompt measures are not taken. This paper hypothesizes that one sure way for Lagos to climb the global urban hierarchy is for it to initiate urban changes in the form of adopting a real estate strategy that focuses on counter-measures against the prevalence of shelter deprivation. The study examines the experiences of cities in countries that share similar historical antecedents with Lagos. Different perspectives of the real estate strategy employed by different countries in their attempt to attract foreign investments are discussed. The paper concludes by emphasizing the dimensions of real estate strategy that could be applicable in the Lagos context.

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### Introduction

Many cities today are trying to move in a new direction that may be interpreted as *the globalization response*. This paper focuses on the process through which cities try to achieve the status of a global city. For many developing nations especially those in sub-Saharan Africa the quest to join the prevailing climate of globalization of markets is adversely affected by their inability to provide adequate inputs to the shelter sector.

In Nigeria, the dominance of informal structures in Lagos is a trend that poses serious challenges to its potential for becoming a global city. Lagos is currently not a major command point in the global economy. However, the questions regarding how Lagos can fit into the new dynamics of world city rankings requires the city to pay attention to issues of shelter deprivation and social exclusions.

The rapid growth of Lagos is reflected in its being surrounded by dense and generally impoverished shanty towns and numerous other forms of so-called informal and/or irregular housing. With a population of 17.0 million inhabitants Lagos has joined the league of largely urbanized cities now referred to as megacities (Okedele, Adebayo, Iweka & Uduma-Olugu, 2009). These are cities with population of 10.0 million and above, according to the United Nations classification (UNCHS, 1996; Ilesanmi, 2009). Being a megacity predisposes Lagos to the problems of rapid population growth that will demand huge improvements to existing housing and infrastructure.

This particular situation has very significant spatial implications for the city of Lagos. The development or re-development of Lagos into a global city should be done to accommodate the needs of all categories of inhabitants for adequate shelter.

As already noted, the growth of shelter deprivation in Lagos is synonymous with the growth of slum settlements. There are 200 officially recognized slums in Lagos (Okedele, Adebayo

and Iweka (2008). In the literature, slum settlements are used interchangeably with terms such as informal settlements, squatter settlements and unplanned neighbourhoods. Recognizing and addressing the implications of slum settlements is one of the first major steps to solve the problem of shelter deprivation in the quest to position Lagos for globalization.

The risk associated with shelter deprivation is capable of preventing Lagos from tapping the benefits inherent in a global city. Given the economic growth that is generally associated with global cities, an intervention in the housing sector is imminent in Lagos, if the low income segments of the population will be adequately accommodated.

The United Nations has argued that urban centres cannot afford to isolate the poorest neighbourhoods from wider urban societies and economies (Volkman 2005). According to Sasseni (1991), planned economic growth and drive towards globalization has to be aligned with planned development of shelter and environmental infrastructure. With anticipated surges in economic activity, the globalizing city of Lagos is bound to attract immigrant workers from the poorer and less developed areas. This population in several ways escalates the pressure on available shelter, thereby raising a situation of inadequacy. Already, the inner-city areas of the metropolis have an image of decay with poverty, pollution, crime, overcrowding, poor housing conditions and unemployment.

For a globalizing city like Lagos, it is important to understand that addressing the problem of shelter deprivation has the likelihood of impacting on amenities like transportation networks, parks, etc. All these have, direct association with the key infrastructural thrusts required for integration into the global economy.

Known indices of shelter deprivation such as substandard housing, overcrowding, disposal facilities, and related environmental risks are all issues that abound in the literature.

But our understanding of their implication for transition to a global city status is still blurred.

One sure method that was adopted by a number of developing countries in tackling this challenge is a focus on the *real estate strategy*. This strategy falls within the ambit of what Hamilton (2006) describes as the developmentalist framework. This framework deals with the critical issues of urban poverty and shelter deprivation.

Kuala Lumpur in Malaysia is an example of a city where urban inequality was drastically reduced over the years in an attempt to attract foreign investment through real estate development. Using a case study methodology, this study argues that in the face of extremely high levels of shelter deprivation and poverty, one sure way for Lagos to climb the global urban hierarchy is for it to address these urban challenges through the adoption of a real estate strategy.

This paper starts by looking at the challenges of transformation of Lagos into a global city, and the phenomenon of shelter deprivation in the context of global city framework. The real estate strategy is then examined, using a case study approach. The paper finally discusses a number of policy options that might facilitate the adoption of a real estate strategy in Lagos.

#### **Challenges of transformation of Lagos into a global city**

The dominance of informal settlements in Lagos is a contradictory trend that works against the ideals of sustainable development and globalization. According to George, (2008); Presidential Committee on Redevelopment (2006); and Falade (2008), 60-70% of urban inhabitants of Lagos live in slums and inadequate housing. In other words, many of the shelters harbouring the prime actors in the emerging Lagos Global city network fall within this category. The severity of slum settlements in Lagos is understood in terms of the intensity of shelter deprivation. One major characteristic of Lagos is the fact that rapid urban population growth has outpaced the ability of city authorities to provide for housing and environmental health infrastructure.

It has been argued that many cities of developing nations, including Lagos (regard as high urban sprawls that relate to the globalization system only as important consumption markets. This distinguishes such cities from London, New York and Tokyo, which the United Nations classifies as key points in the command and control of the worldwide economy (Raiser and Volkmann 2005). The relative position of Lagos, in particular, makes many scholars of urban studies to regard it as not really open to the globalization system. Therefore, Lagos is a case of a city that is aspiring to first become recognized among the group of peripheral globalization.

Merwe (2004) points out that grouping African cities using the concept of peripheral globalization is inappropriate. According to him, any conceptualization, analysis and interpretation of global city development in Africa should always take place within the unique context of its historical, geographical cultural and developmental setting. The author advises that differences in urbanization tendencies and urban structures between industrialized world and developing nations should be taken into consideration in the current attempt at delineating which cities are global.

This approach questions the rationale in focusing the criteria for determining global cities on what favours western core cities of New York London and Tokyo. The argument is

that this approach places African countries at a great disadvantage.

The listing and grouping of African cities in the global city hierarchy remains a contentious discourse. The city of Lagos in the West is among the six African cities most Cairo, Casablanca, Nairobi, Johannesburg and Cape Town. Contextually, all these cities are located either in the manufacturing or informal-economy cadre, as against the service oriented cadre found in the developed world.

Classifying cities in this way will make it possible for them to establish their own vantage point in the urban global network of links. By so doing, cities will also be able to chart a route towards attaining the ultimate status (Sassan, 1991: 1994; Beaverstock & Taylor 1999).

Some of the most pressing challenges for Lagos in the last few decades are high population density, land-use structure and inadequate economic infrastructure in the Central area. These circumstances are considered unfavourable for the city in transforming itself into an international metropolis of whatever cadre.

It is already known that many poor people exist in the precarious slum settlements and informal areas of Lagos megacity. These poor urban dwellers have little access to urban land and they mostly erect their houses on vacant government and private land. These inhabitants ultimately become squatters, living in shanty houses that are constructed from materials that are low-cost and hazardous e.g. bamboo, straw, and polythene. Sijuwade (2008) describes other groups of urban poor as people who are used to living in single roomed housing. He claims that in many cases more than five members of the households live in one congested room. He paints a more repulsive picture for households headed by singles, where 20 to 30 people are said to live in a single room.

These visible indicators of shelter deprivation are obvious handicaps which the city of Lagos must confront. The adoption of real estate strategy is a counter-measure against the spread of the informal city in Lagos.

The experience of Lagos in terms of urbanization can be compared to that of Mexico City with a population of nearly 18.0 million inhabitants, (Hamilton 2006). Although the city is reputed to have emerged as a major global services provider in accounting, advertising, banking, finance and legal services, Mexico city is still plagued by contextual issues of underdevelopment such as poverty, social polarization and environmental concerns.

The case of Johannesburg remains distinct, with an intense emphasis on the city's crime rates, megacity, unemployment and insufficient housing. It is estimated that there were 780,000 shack dwellers in Johannesburg by 2002, thereby making it difficult for a large number of the population to enjoy the benefits of a global city (Hamilton, 2006).

Although these issues of underdevelopment shared by Mexico City and Johannesburg are not prominent in the global cities of the core, these concerns and challenges are relevant in the Lagos context. In order to tap the benefits inherent in a global city, Lagos must address the issue of how the risk of turbulence associated with shelter deprivation should be minimized. For this to be achieved, a lot will depend on how the quality of shelter and human settlements is interpreted and sustained.

### Shelter deprivation in the context of global city framework

The African continent is currently rated to have the highest proportion of urban population living in informal settlements, with no proper access to basic urban services. Moreover, the security of tenure is not guaranteed. (Ooi and Phua, 2007).

For this trend to be reversed, the quality of life in terms of the physical surrounding and general satisfaction of living environment in the cities is a crucial element to long term success in attracting and maintaining investors. A key question in this study is: What kind of global city can Lagos become in future if its growth continues to be inundated by the problems of shelter deprivation.

Deprivation refers to un-met needs which are caused by a lack of resources of different kinds. Deprivation can be addressed from several domains such as income, education, health, shelter, etc. The focus of this paper is on shelter deprivation. The risks of experiencing shelter deprivation vary substantially between regions. According, to Chungu (2005), sub-Sahara Africa has a rate that is almost double the world's average.

Shelter deprivation in Lagos can lead to negative social, economic and political consequences. Social unrest and insecurities occasioned by shelter deprivation in a city like Lagos can reduce incentives for investment.

Evidence of shelter deprivation in Lagos can be seen from four dimensions: (a) stark homelessness, (b) deprivation with respect to certain basic amenities, (c) deprivation in terms of quality of dwelling structure, (d) overcrowding within a dwelling structure as well as overcrowding of dwelling structures in a taunted space.

Whatever its nature, deprivation occurs when people are unable to reach a certain level of functioning or capacity. It is also characterized by the lack of choice with respect to alternative coping strategies. The deprived residential neighbourhoods of Lagos are characterized by high rate of unemployment, crime and delinquency, and dearth of recreational amenities. They are also socially isolated from the rest of the city.

Many other cities in developing countries are plagued by these broader concepts of deprivation and insecurity. In Kuala Lumpur, Malaysia, for instance, unstable squatter settlements are juxtaposed with prime commercial edifices and high class condominiums. The city also suffers loss of heritage buildings and neglect of human development (Ooi & Phua, 2007).

A longitudinal analysis of the experience of Singapore provides a good lesson for the transformation of Lagos. According to Moham (2008), 70% of Singapore's households lived in overcrowded conditions when the country attained independence in 1965. Further 33% of the population squatted in the city's fringes while 50% of the citizens were illiterates. Today Singapore is universally acknowledged as a city that has substantially reduced the prevalence of slums. The slums have disappeared and the city is now home to more than 5,000 international companies rendering diverse services in Asia and the rest of the world.

### The real estate strategy and its application in selected countries

It has been argued that to be a global city, such a city must adopt a strategy that will facilitate its response to an increasing global competition. The strategies that favoured London, New York and Tokyo are no longer seen as sacrosanct, or infallible. In an attempt to accommodate other categories of cities

currently regarded as "globalizing cities" or "emerging global cities, many capital cities in the developing world have been undergoing projects aimed at positioning themselves as competitive global cities. This has given rise to what has now come to be regarded as the real estate strategy. This strategy focuses on two aspects of the built environment as major channels to attract huge investments.

The first aspect is increase in building (architecture), while the other is on changes in city infrastructure. In the Asia-Pacific region, cities like Bangkok, Shanghai, Beijing, Taipei, Singapore, and Hong Kong had adopted several urban-mega projects that aim to attract foreign investments through real estate development. Some of these are discussed below.

**Singapore:** Singapore is one country that has successfully applied the real estate strategy to position itself as a global city. The transformations in the built environment centred on a deliberate decision to focus on providing affordable housing to the majority of its citizens. This approach saw Singapore pursuing the provision of mass basic housing to low-income and middle-income families. In doing this, emphasis was also centered on ensuring that the crowded and unsanitary squatter housing which characterized the immigrant housing in the city centre were redeveloped and revitalized.

In Singapore, there is no distinction in the profile of public housing dwellers that form 80% of the populace and the rest 14% in private housing (Goh, 2000). The housing provision incorporated some of the amenities and features of private apartments. This approach distinguishes it from other countries where planning and infrastructural development are characterized by poor urban management, resulting in exclusion of certain categories from the flow and distribution of capital arising from modernization and urbanization.

According to Chungu (2005), the peculiar nature of Singapore public housing makes it an interesting test case of the process of urban planning and related social transformations in global cities. Public housing is seen as massive machinery that will facilitate a free-market housing system in a global economy.

**Taipei:** In the case of Taipei, its real estate strategy focuses on the development of commercial property. The argument is that such an approach connects with the development of industry, commerce and the number of Headquarters or branches, the city harbours. It is speculated that these stand as symbolic indicators of a city's position in the global urban hierarchy.

After joining the World Trade Organization in 2002, the government of Taiwan responded to the global city competition through both the central and local government. Several projects that aimed to attract foreign investments especially in real estate market were embarked on.

The Taipei city government had constructed a new central Business District (to be Taipei Manhattan), and the construction of Taipei 101 building (the second tallest building in the world), to attract multinational companies. The two major urban development projects were the city government's response to the central government's financial deregulation. This developing of commercial property in Taipei connects with the development of industry, commerce and the number of headquarters or branches represented in the city. By extension, these are regarded as indicative of the city's position in the global urban/hierarchy.

Prior to the opening of domestic real estate market to foreign investment in 2002, Taipei's central government

initiated several financial deregulation policies. Two of such prominent policies are the "Open Foreign Capital Invest Domestic Real Estate Ordinance", and the "Real Estate Investment Trust (REIT)". The focus was on ways to accelerate real estate exchange rate.

The city government also took another initiative to facilitate the attainment of an image of regional financial centre by encouraging private-public partnership. This approach prompted the city government to provide enablement and designs for trans-national corporations, manufacturing and financial industry to build their headquarters or branches. The result is that more commercial capacity has been created in Taipei.

**Hong Kong:** While Singapore chose to make housing an area of utmost priority, Hong Kong adopted a real estate strategy that focused on housing, education and health care. The sheer speed with which Hong Kong has reinvented itself economically has been largely attributed to the widespread availability of these social services.

One of the earliest challenges faced by Hong Kong in its quest for globalization was the redevelopment of its obsolete inner city areas. These are areas with high concentration of public tenants living in old resettlement blocks built in the 1950s, or private tenants living in dilapidated tenement blocks. These decrepit housing stocks provided cheap, well-located housing for low-income households.

In Hong Kong, the best located areas are often a bizarre mix of high-class very costly buildings and slums. Driven by a benevolent motivation to improve the living conditions of ordinary people, the government of Hong Kong adopted a number of policies towards urban improvement. These can be summarized as follows:

- i. There was a commitment by both the Hong Kong government and many multinational companies to provide highly subsidized rental accommodation (in cash or kind) to high-level expatriates and senior locales.
- ii. Squatter areas were cleared and their residents decamped to public housing estates. In particular, prime sites for economic development occupied by squatters were reclaimed.
- iii. The inner city's ageing housing stock built by the Hong Kong Housing Authority was redeveloped. The new desirable buildings that emerged were helpful in retaining the social mix of both the public rental sector and areas in close proximity to the urban core.
- iv. The government's New Town's programmes provided an opportunity for Hong Kong to achieve spatial heterogeneity and a balanced social mix.

#### **Policy options for adopting the real estate strategy in Lagos**

Recognizing the existence of slum settlements is a major step in the quest to position Lagos for globalization. Evidence further suggests that the benefits of economic growth are not fully realized in cities experiencing extremely high levels of shelter deprivation (Chungu, 2005). Lagos dwellers living in deprived shelter are regarded as vulnerable segments of the society.

This paper hypothesizes that one sure way for Lagos to climb the global urban hierarchy is for it to initiate urban changes that attract capital investment and tourists.

Focusing on shelter is not a strange phenomenon. It is a real estate strategy. A major issue for Lagos is on urban structure changes that can be expected in future, given the current rate of urbanization.

The problem of poor housing in Lagos is arguably understated, due mainly to the fact that the census does not include data on general housing conditions, or on the provision of amenities in the dwelling. Critical aspects of the problem such as high cost burden, overcrowding, poor quality shelter and homelessness are therefore difficult to be comprehensively analyzed.

The low-income inhabitants of Lagos who suffer shelter deprivation are unlikely to afford the increasing costs of housing in the rapidly growing city unless there is a policy provision for such affordable housing by the government, in line with anticipated economic growth that is associated with globalization.

This study recommends that to reposition Lagos for globalization, policy issues should be addressed within the context of under-development and deprivation. Three key aspects are highlighted below:

- a) Policy that aims to improve data availability and authenticity from census. The current data set is not adequate in estimating the extent of overcrowding. Data on the number of rooms are not precise and floor area measurements are not collected.
- b) Policy that aims to improve land-use planning capabilities of the city. The failure of government's urban land and housing policies and the inability of the formal private sector to provide land for housing the poor has strengthened the attractiveness of informal land markets. To mitigate this, the government should launch an urban mapping scheme which utilizes advanced technologies such as remote sensing and aerial photography to prepare physical and utility maps on appropriate and diverse scales. The relevance of large-scale maps cannot be overemphasized. Again attention should be paid to problems associated with restrictive access/title to land.
- c) Policy that encourages development of more new towns for low-cost housing. Private sector investment in low-cost housing development schemes is usually deterred by political risks, chronic weaknesses of housing finance systems, lack of reliable land information and registration systems, and low profit margins. In particular, land should be heavily subsidized to be attractive to the formal private sector.

Therefore, the focus on developing a series of new towns should be reinvigorated. This will ensure that satisfactory housing and living conditions for the city's growing urban population are provided and sustained.

#### **Conclusion**

Though not currently recognized as a major command point in the global economy, the rapidly growing city of Lagos can find a space in the hierarchical ranking of emerging (or peripheral) global cities. This study examined the hypothesis that one major route to attaining this enviable position is to reduce the risk of shelter deprivation, resulting from the multiplicity of precarious slum and informal settlements.

Lessons from case study of Singapore, Taipei and Hong Kong reveal that the prevalence of slums can be substantially reduced through development a list approach that utilizes the real estate strategy. Evidence from the literature further suggests that this strategy provides additional justification for the argument that the criteria for determining global cities must not be limited only to what favours London, New York and Tokyo. It is therefore possible to classify Lagos as a globalizing city, in the same way as Singapore, Taipei, and Hong Kong.

In adopting the real estate strategy, it is recommended that Lagos should address policy issues that focus on critical aspects

of underdevelopment and shelter deprivation, such as overcrowding, land-use, and massive development of New towns for low-cost housing, with private sector collaboration.

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