

# Chapter 7

## Transformative Urbanization Through Public–Private Partnership in Abuja, Nigeria

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### ABSTRACT

*Urbanization possesses the power to transform the physical and socioeconomic structure of cities globally. In developing countries, transformative urbanization requires employing suitable tools that can address contemporary challenges such as rapid population growth, housing and basic infrastructure provision, as well as inadequate financial and technical resources. Despite some criticism, public-private partnership (PPP) is increasingly being applied to tackle these challenges and to foster sustainable urbanization. Yet, limited studies have investigated PPP applications in providing housing and infrastructure in Nigerian cities. Using desktop study, this chapter analyzes the potentials and challenges of PPP in housing and infrastructure delivery in Abuja, Nigeria. It specifically reviews the modes of housing and infrastructure provision, highlights the concept and models of PPP, and examines the potentials and challenges of PPP in housing and infrastructure delivery in Abuja. It then recommends ways of enhancing the existing PPP in Abuja and concludes with future research direction*

### 1. INTRODUCTION

Currently, more than half of humanity or about 4 billion people reside in urban areas, and the ratio is anticipated to increase to almost two-thirds by 2050 (UN, 2015b). The process of urbanization transforms the physical structure of towns and cities, existing social and economic institutions and the activities of city residents (Abubakar & Dano, 2018). The process does not only influence the growth of cities, but it positively and negatively impacts urban living. As the key engines of global economic growth, cities provide opportunities for production, commerce, innovation and large-scale consumption that serve as the

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pulling force for in-migrants seeking better livelihood. In developing countries, cities are experiencing population growth that has never been experienced before: urban populations have more than doubled in the last thirty years (Bennett et al., 1999). Indeed, out of the 417 cities with 1-5 million inhabitants (medium-sized cities), 317 (76%) are in developing countries (UN, 2015a, p. 81). Here urban areas are gaining about 70 million new residents annually, to the extent that 90% of the estimated increase in global urban population from 2014 to 2050 which is about 2.5 billion people will occur in Africa and Asia alone, and that Nigeria, India and China are expected to house about 37% of the increase (UN, 2015a). As the urban areas rapidly urbanize, they face increasing challenges of inadequate and dilapidated housing and infrastructure, unemployment, poverty, social exclusion and crime (Abubakar & Doan, 2017; UN, 2015b; UN-Habitat, 2008).

Housing and infrastructure delivery are among the major urbanization challenges in developing countries. The bulk of the population source their housing privately from formal and informal markets or through cooperatives and self-help initiatives. Public housing is traditionally provided via the public institutions usually for low income groups who are in need of affordable housing, which is intended to foster socioeconomic development and to avoid exclusion of citizens (Njoh, 2006; Zayyanu & Johar, 2017a). However, in developing countries rapid urban population growth and limited resources is extremely outstripping the capability of many governments to adequately supply urban housing and associated infrastructure. To address the enormous deficit in housing and urban infrastructure provision, novel strategies that involve collaboration with the private sector are increasingly being utilized to assist governments to respond to the increasing demand (Abdul-Aziz & Kassim, 2011; Alhomadi, 2012; Muhammad & Johar, 2017b).

In the last three and a half decades there has been a paradigm shift from direct public-sector housing and infrastructure delivery to public-private partnership (PPP) strategy, due mainly to financial limitations posed by rapid urbanization and urban growth. The PPP model is seen as an alternative strategy for providing housing and basic public services such as transport, housing, education, health, water and sanitation (Agrawal, 2010; Roumboutsos & Macário, 2013). The PPP strategy involves longstanding cooperation between a public and private sector in which they “mutually agree to share risks, costs and benefits in the development of products or services” (Hammami et al., 2006). The principal arguments for PPP is that it enables the private sector to contribute its resources and expertise to offer “value for money” in service provision (Armitage & Susilawati, 2004), while the government reduces the costs of service delivery and promotes social transfers (Bennett et al., 1999; Cheung et al., 2012).

In Nigeria, the federal and several state governments have entered into various PPP arrangements for housing and infrastructure delivery in the last two decades (Muhammad et al., 2016). Yet, limited studies have investigated the successes or otherwise of the existing partnerships. To address this knowledge gap, this chapter explores the opportunities and the challenges associated with the application of PPP for the provision of housing and urban infrastructure in Abuja, Nigeria and makes recommendations for improving the partnership. Abuja city is important as the federal capital of Nigeria and the fourth largest urban centre with a projected population of over 3 million residents in 2014 (Abubakar, 2014).

This chapter is based on desktop study where secondary data were collected from official reports, websites of government agencies and journal articles. From October 2015 to June 2017, relevant documents were compiled via online search and visits to the department of urban and regional planning and federal capital territory administration in Abuja. Google Scholar database was used for searching relevant academic documents, using keywords related to the title of the paper. Data were analyzed using qualitative content analysis where themes related to the objectives of the paper were generated from the gathered

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