

CHAPTER ELEVEN

The Urban Housing Crisis, Social Sustainability and the Co-operative Movement in Lagos, Nigeria

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Introduction

The crisis in the global housing sector is well-known. In Africa, as with most other developing countries, population is rising faster than poverty is falling, causing an increase in the number of people living in poverty (The World Bank, 2016). Migrants in search of better opportunities converge on its cities, and draw homes from existing low-cost areas, often times in shanty towns on the city's edge. These areas are often characterised by vast qualitative and quantitative housing deficiencies.

Yet it is generally accepted that decent and adequate shelter is one of the basic needs of the society, having profound influence on human health, productivity, social behaviour and satisfaction. The importance of providing an adequate number of dwellings, which satisfy reasonable standards of comfort and hygiene and also contain essential utilities and services for community life, is immense, and lack of it is one of the worst forms of poverty (Nubi, 2015). In trying to meet their housing need in the face of the multi-faceted problems surrounding housing affordability and access, most households rely on self-financing through own equity, loans and gifts from friends and family, remittances from abroad and contribution from co-operative societies.

Co-operative societies, in particular, have long been utilised by households as a medium to address problems they are incapable of solving individually. From its origins by the Rochdale Society of Equitable Pioneers in the UK in 1844, co-operative membership has spread to other countries. For instance, Nigeria had about 82,460 co-operative societies of various categories with over 1.4 million members in 605 local Governments (Enhancing Financial Innovation and Access EFInA, 2012).

Thus, the socio-economic importance of housing and its high capital outlay; together with the rational for setting up co-operative societies provides a strong platform for co-operatives' involvement in addressing housing challenges in African cities. These cities' visible housing need is evidenced by large slum communities that provide a dynamic field for studying the relationship between housing, sustainable development and poverty.

Institutionally, some attention is being paid to the fundamental role housing plays in human development as a whole and the urban form in particular. Africa's Agenda 2063 recognises this and calls for urgent actions to provide Africans with "decent and affordable housing in clean and well planned environments" through mechanisms that support access to housing finance and hopes to ensure that contentious and conflict-prone issues in planning laws, land administration and city management are addressed. Agenda 2063 also aspires to provide mechanisms for "improving the livelihoods of people working and living in slums and informal settlements."

These are aspirations that have been given a high priority due to the widely accepted relationship between housing quality, access, affordability and social well-being on the one hand; and prosperity and economic development on the other. It is however, important to situate this aspiration in the realm of reality and hence critically establish the scale of the present housing problem, the responses to that problem and the prospects of alternative solutions.

This chapter therefore proceeds on the basis of housing as an important integrative force for actualising social goals through sustainable economic engineering; with social sustainability as the driving force. Social goals are here defined in the context of social sustainability, which itself has to do with the ability of a social system or country to function at a defined level of social well-being indefinitely. To achieve social sustainability, there has to be people empowerment, being defined as activities which have the objective of increasing people's capacity and willingness to influence decisions that affect the quality and delivery of (housing) services provided by government and others. Social inclusion in housing refers to all the processes in design, construction and management that seeks to encourage social interaction between people with different socially relevant attributes. Conceptually, all of these aligns with the philosophies of the co-operative movement.

The purpose of this chapter is therefore to adopt social sustainability as an analytical framework to ascertain the suitability of co-operative societies as strategic partners in meeting Agenda 2063's housing goals. Social sustainability is measured across four dimensions: social inclusion, social justice, people empowerment and self-reliance. The methodology is quantitative, being based on a survey of co-operative leaders. The objectives of this study are thereafter aligned to each of the four dimensions as follows.

The first objective is to ascertain the level of social inclusion of co-operative societies (the social inclusion dimension), and this is achieved with descriptive statistics, the second objective captures the social justice dimension, which is to ascertain the depth of social justice within the co-operative societies and this is achieved with the testing of hypothesis using the independent t-test statistics, the third objective (the people empowerment dimension) is to determine the extent of people empowerment in the co-operative societies and this is ascertained with

descriptive statistics. Finally, objective 4 (the self reliance dimension) was to measure the ability of the co-operatives to muster both internal and external resources for self-development. This was also achieved with descriptive statistics.

The chapter proceeds with a discourse of the extent of the housing crisis in African cities, followed by an appraisal of the qualitative and quantitative factors that could deepen a housing crisis on the continent. Next, the efficacy of various responses to the housing crisis, from the government, to the private sector and the co-operative movement is elaborated. In the next section, the research methodology is provided, while section 5 provides the analysis and results of the survey carried out. A discussion of this follows in sector 6 and conclusions are presented in section 7.

Literature Review

Africa Housing Sector in Crisis!: The Scale of the Current Problem

The character of urbanisation across African cities is diverse, yet unified by the ubiquitousness of informality and inequality epitomised in slum developments. While the Eastern African region is the world's least urbanised but fastest urbanising sub-region; its urban population is expected to have increased by 50 percent by 2040 (UN-Habitat 2014). This rapid rate of growth in the East is also mirrored in the West African states and in both regions, there exists numerous yet similar challenges that produces a crisis in the housing sector.

These challenges are well documented in both academic and non-academic literatures. For instance, since 2008, the UN-Habitat Series on the State of African Cities has, over time, drawn attention to the rapid rate (and consequences) of urbanisation in African cities, the informality that pervades its land markets, intra-county inequality, the inadequate institutional capacity to cope with problems that require innovative yet home-grown solutions, the vulnerabilities of African cities to climate change and the opportunities inherent in most cities for adopting sustainability principles in energy, housing and social service provisions. The emergence of slum communities on very large scale has generally been of interest for the UN-Habitat.

Central Africa countries in particular hosts a high number of slums and informal settlements, arising from weak urban governance systems (UN-Habitat, 2014).

As shown in Figure 1, the slum penetration ratio of urban Africa is quite high; with 55 percent of the urban population living in slum settlements in sub Saharan Africa, and as high as 80 percent in Mauritania, 70 percent in Niger, 76 percent in Sierra Leone and 50 percent in Nigeria.

In addition, African cities now exhibit varying, yet visible signals of urban insecurity and violence, which, often left unaddressed (as evident in a number of African cities), is continuously fuelled by urban unemployment and a burgeoning youth unemployment rate. These were key factors in the violent political uprising

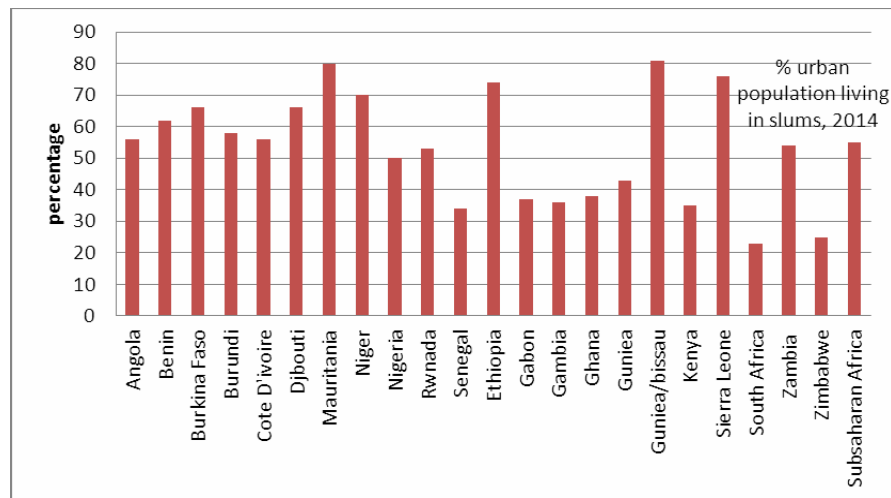


Figure 1

Source: The World Bank <http://data.worldbank.org/indicator/EN.POP.SLUM.UR.ZS>

in the Northern Africa Cities that heralded the Arab Spring, the high youth population of Western and Eastern African cities is also the platform for several social unrests, conflict and instability, whilst the opportunities that they present remain largely unexplored in most other regions of the continent. The consequences of social unrest is still more insecurity, and in Northern Nigeria cities for instance, it has spewed large numbers of refugees and internally displaced persons, who all then compete for still limited social services: land, water, education and housing being the most critical.

The Housing Crisis: into the Future? The Qualitative and Quantitative Factors that could Deepen the Housing Crisis

The world's urban population has soared from 2.6 billion (45 per cent of the whole) in 1995 to 3.9 billion (54 per cent) in 2014 (Figure 2). With urban populations expanding at unprecedented rates since 1996, it is perhaps unsurprising that many cities are falling short in housing supply, and since there are no strong indicators of future population contraction, the trend is expected to continue into the future.

For instance, UN-Habitat's estimates show that there are 881 million people currently living in slums in developing country cities compared to 791 million in the year 2000; and projects that by 2025, it is likely that an additional 1.6 billion people will require adequate, affordable housing. The implication of this statistic is not far fetched. According to UN HABITAT (2014), 61.7 percent of sub-Saharan

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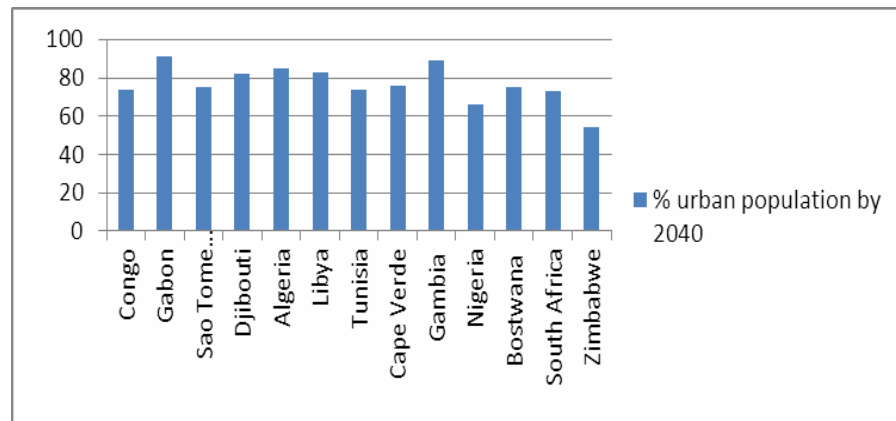


Figure 2: Proportion of population living in Urban Areas by 2040
Source: UN Habitat (2014)

Africa's urban population are slum dwellers.

The other dimension of housing crisis arises from the association of poor housing with poor security and high crime rates. Lawanson and Salau (2010) assert that the causes of crime and insecurity in urban areas could be attributed to social, institutional and situational causes. The consequences of crime are equally quite varied and include a general feeling of insecurity which results in the abandonment of neighbourhood and avoidance of certain quarters, development of an "architecture of fear" manifested as proliferation of gated communities, high building fences and construction of fortresses as residences. In a survey on crime incidence and coping mechanisms in Nairobi's slums carried out by Wairimu (2010), it was found that 33 percent of crimes in the country occurred daily in these settlements and alcoholism represented a major causal factor.

In South Africa, areas such as Khayelitsha report a rate of 150-200 murders per 100,000 persons which is among the highest rates any-where in world. Exacerbating this trend is the fact that urban areas in South Africa continue to be hampered by the legacy of racial segregation, poverty and exclusion, from social and economic opportunities (Centre on Housing Rights and Evictions (2005), Department of Cooperative Governance and Traditional Affairs 2015) and even more recently xenophobic attacks against fellow Africans.

Thus, lack of affordability of decent homes ensure that slum communities continue to play a vital role in housing low-income city dwellers. Weak and unresponsive administrative capacities will increase the incidences of insecurity, inequality and informality that is already pervasive in these areas.

All of these projections show a clear need for policies to cater for the future demand for housing and other basic social services such as education, health care, food and transportation.

Tackling The Crises: Responses of Various African Governments to the Housing Crisis (“The First Way”)

Over the past five decades, authorities in African countries have adopted several strategies to tackle the problem of slums and informal settlements. These approaches have evolved over time, and many are still being implemented despite their inability to proffer lasting solutions to the formation and proliferation of slums and informal settlements.

Perhaps in response to several calls by governments to reduce the pressure of demand for land and housing services in primate cities (see, for instance UN-habitat 2014, state of Africa Cities Report); several African governments have set up satellite town in city peripheral, and some of these could very well degenerate into further urban slum proliferation, as the ubiquitous informal settlements spring up to service isolated, higher-income satellite towns.

A popular, if controversial response across Africa, has been total clearance of these communities.

The Zimbabwean government commenced the demolition and burning of slums in Harare and other cities as an attempt to restore order by ridding the cities of illegal housing (Hove, Ngwerume and Muchemwa, 2013).

In Nigeria, and in Lagos in particular, several slum clearance exercises have been carried out in recent years, with the most recent occurring in Otodo-Gbame community and Ijora Badia. The clearance was motivated by the poor living conditions and security concerns for Otodo-Gbame; and the government’s desire to construct housing complementary to proposed infrastructure for the highway for Ijora Badia. Similarly, in Nairobi, Kenya, security reasons were cited in the demolition of Muoroto and Mwariro slums in the early 1990s (Otiso, 2002).

However, the experience of African countries shows that slum clearance is not a solution to the proliferation of slums and informal settlements, as it often results to the formation of new slum settlements elsewhere.

A second strategy that African Governments have used to address qualitative housing need is to embark on slum resettlement programmes. Usually supported by donor agencies, these programmes are often premised on the notion that evicted households were legal owners of previously occupied land or had occupied such land for a long period. However, often times, demolition takes place and redevelopment/reallocation of new units never occurs.

The UN HABITAT’s Participatory Slum Upgrading Programme is currently being implemented across several African countries: Benin, Botswana, Burkina Faso, Burundi, Cameroon, Cape Verde, Cote d’Ivoire, Congo Brazaville, Gambia, Ghana,

Kenya, Lesotho, Malawi, Mali, Mauritius, Mozambique Namibia, Niger, Nigeria, Rwanda Senegal, Togo, and Uganda (UN HABITAT, 2016). However, the sheer scale of the housing deficits reduces the impact of this programme in these countries.

Lastly, there are attempts to build new housing for the people, to address quantitative challenges. However, direct construction is largely inefficiently handled by the governments. In Nigeria for example, direct construction targets have never been achieved in over two decades of policy period. Coupled with neo-liberal economic policies, a change to public sector support was inevitable. Thus, governments take an enabler approach and hence develop ways by which private sector partners can contribute to housing delivery.

In Malaysia, Zimbabwe and Malawi, for example, governments used incentives such as faster plan approvals, lower land premiums, infrastructure cost subsidisation, the relaxation of housing standards and concession from financial contributions to utility authorities as well as tax relief to encourage private sector involvement in low-income housing (Mfatu, 2007). Nigeria has also adopted land swap deals for addressing the need for large-scale land assembly for real estate development in Abuja, the country's administrative capital.

However, private-sector housing projects have usually been directed towards sales to the middle-high income earners who can afford to pay market-rates for housing and also qualify for mortgage loans (CAHF, 2015; Eni and Danson, 2014). Those who do not fit this category therefore resort to incremental building and construction, on land purchased in the peripheral areas of the city; increasing slum settlement proliferation.

Housing Supply and the Involvement of the Private Sector through the Mortgage Industry (“The Second Way”)

In general Mortgage markets function effectively within set market-driven conditions such as the availability of mortgageable housing stock with good legal title and a highly developed home building industry with capacities for adding to the stock and retrofitting old stock (Nubi, 2012). Other conditions for a sound mortgage industry include: the strength of the legal rights of lenders, commonly measured by the ability of lenders to foreclose on properties in the event of defaults, the strength of the credit information system, the depth of documentation of borrowers' income and access to borrower's credit history. Studies such as Oyalowo and Nubi (2013) show that lack of credit information systems is an important deterrent to the mortgage industry in West Africa.

In many developing countries the challenge of housing provision by the mortgage sector is further compounded by the engagement of larger sections of the population in the informal sector, where incomes are not verifiable and therefore, asset base is likely to be non-mortgageable. Since it has also been established that that formal housing finance providers tend to channel funds to only that minor

segment of the market that meet mortgage terms, a large proportion of people in informal employment are generally excluded from access to mortgage financing (Oyalowo, 2012; Oyewole, 2010; Wapwera, Parsa and Egbu, 2011; Tesfaye, 2007; Nubi, 2006). All these present evidence for arguments that market-based funds like mortgages may not be the most appropriate channel by which low-income people could access housing funds. Other studies such as Wapwera *et al* (2011) also evidence instances of cultural aversion to mortgages amongst low income people. As a result, the informal sector continues to hold strong possibilities for housing finance and supply for low income households.

Possibilities for Co-operative Housing (“The Third Way”)

Co-operatives consists of a group of people who have voluntarily come together to enhance their quality of life through working together for the interest of all. In the formal sector, co-operatives are formed when workers seek to exert control over their labour power, and in some cases, co-operatives are formed when consumers seek to increase their purchasing powers. In the informal sector, co-operatives may be formed to protect members against rent-seekers, to enhance purchasing power and to provide a platform for negotiations with governments and informal but powerful regulators. In all cases, these societies are expected to strive both for the economic advantage and improved social wellbeing of their members. Co-operative societies thus stand within the nexus of social sustainability and economic development.

Co-operative societies have a positive track record in achieving improved socio-economic outcomes for their members (as evidenced by Aderounmu, Odeyemi and Adeleke, 2014; EFINA, 2012; Ezekiel, 2014). In recognition of the inability of governments to address qualitative and quantitative housing deficiency, and the inability to access private-sector led housing, people have constituted themselves into groups such as co-operatives and thrift and credit societies in order to access additional funds for housing. For instance, in accepting the recommendations of a Presidential Committee on Urban Development and Housing in 2002, the Federal Government of Nigeria recognised the need for the setting up of housing co-operatives; and placed on them, the responsibilities of housing finance, direct construction and distribution of building materials (The Federal Government of Nigeria, 2002). In addition, the antecedents of co-operative societies in housing for rental and home-ownership in other countries is indicative of their critical role in those country’s housing provision framework. For instance, 12 percent of Pakistan’s housing stock, 26 percent of Poland’s, 22 percent of Sweden’s, 10 percent of Germany’s and 8 percent in Turkey, are attributed to the co-operative sector (Kadru and Wendorf, 2011; Komar, 2011; Muncker, 2012; Remacle, Lyben and Laurent, 2012). In Egypt, Kenya, India and Malawi, co-operatives have been supported by the state and international organisations to provide self-built housing for members

(Mtafu, 2007; Borda-Rodriguez and Vicaro, 2014) and in supporting urban regeneration (Nallathiga, 2007).

A Brief Global Overview of the Structure and Benefits of Co-operative Societies in Housing Supply

Co-operative societies have been active in housing supply throughout the world; operating through different structures, but within similar principles that have produced the benefits associated with co-operative housing supply. These principles and their benefits are as follows:

Addressing the Housing Needs of Target Markets: Co-operatives have been used to provide housing for specific market segments. For instance, Austria is regarded as having one of the most developed co-operative housing sectors in the world (Kipler, 2014); it provides both rental and owner-occupied housing for all income categories and act through government support. Similarly, co-operatives in France have permitted non-member investors to inject funds into housing supply activities, in order to increase capitalisation of the co-operatives. However, in some countries, such as Canada, co-operatives are permitted to supply only rental housing (Gazzard, 2012). In this case, tenants have strong control of the properties and manage them through tenant boards.

Reduction of Transaction Costs: Transaction costs are significantly reduced for co-operatives through their efforts in lobbying for supportive government policies, reduction in taxes and credit rates, easing and land assembly and titling procedures. As has been practiced in Portugal and Canada, co-operatives can also be used as vehicles for partnerships with the government and private sector investors in achieving housing policy targets (CECODHAS, Housing Europe and ICA Housing, 2012).

Stability: When co-operatives allot houses to their members, a sense of stability and balance is given to residents, which gives them a vested interest in the maintenance of their surroundings and in issues involving their communities. Co-operatives have even been integrated as part of the urban regeneration strategy in Germany, India and Egypt and are influential community development partners in these countries (Kadru and Wendorf, 2011; Muncker, 2012; Rao and Apparao, 2012)

Operating at Costs: Co-operatives are usually able to obtain finance by a 'blanket' mortgage on the entire property. Members pay a monthly occupancy or 'carrying charges' that contains their share of the mortgage payment, taxes and other operating expenses. Occupancy charge is set aside in a 'sinking fund' to fund repair and maintenance projects or other contingencies. Belgium's tenant co-operatives utilise this and have supplied 4 percent of the co-operative housing in the country (Remacle, Lyben and Laurent, 2012).

Promoting Affordability: Affordability is promoted through low entry costs, members do not have to qualify for individual mortgages as the co-operative holds one mortgage for the entire property. Members therefore need only pay for their ownership share or membership fee in the co-operative. They only have to pay the monthly occupancy fee or carrying charge, as it is referred to in some countries. In addition, co-operatives could ensure 100 percent owner-occupancy by prohibiting sub-leasing of co-operative units, while they can go further to guarantee long-term affordability by restricting sales to people of specific income cadres, as practiced by Limited Equity Co-operatives in US and Britain (Saegart and Benitez, 2004).

All of these signals that co-operative societies play a key role in housing supply. However, this study is focused on the question of whether the co-operative structure fits in with the principle of social sustainability and how this relates to housing supply within the aspirations of Agenda 2063. The section on methodology provides an empirical analysis to answer this question.

Structure of Co-operative Societies in Lagos State

The structure of co-operative societies in Lagos is a three-tiered pyramid. At the base of the pyramid are the individual societies numbering in thousands, also called the primary co-operatives. At the second tier are the 21 co-operative unions, comprising of all primary co-operatives in the same area. The leadership of the unions derive from the leadership of the primary co-operative. In other words, only members of the management committee of the primary co-operative are qualified to stand for elections into the union. At the peak of the pyramid is the Lagos State Co-operative Federation (LASCOFED) which derives its leadership from the union and is referred to as the “mother” of all co-operative societies in Lagos. The Ministry of Commerce, Industries and Co-operative Societies is at the apex of the regulatory structure, operating through the Directorate of Co-operative Services. The regulation of co-operative unions is facilitated by 21 Area Offices. There is an Area Office in each of the 20 Local Government Areas in Lagos State, and an additional one servicing the co-operative societies located in the Lagos State Central Secretariat.

Regulatory Guidance for Co-operative Societies’ Participation in Housing Supply in Lagos State

Co-operative societies are regulated by the law. However, this law has become obsolete and doesn’t take cognizance of the present realities. It has been revised but the revision has not been passed into law. In the meantime, the regulation is carried out by means of annual “operational guidelines” that provide advice on all aspects of co-operative society’s governance and operations:

- (i) It is required that co-operative societies inform the ministry *before* they go into land purchase. *“Any society that is willing to embark on investment in*

special projects like...home ownership schemes, etc. to enhance the socio-economic welfare of its members, must first seek and obtain the consent of the Director of Co-operative Services before embarking in such projects as required by the Cooperative Law.” (Lagos State Ministry of Commerce, Industry and Co-operative, Operational Guidelines, 2017; item 16: Investment in Special Projects).

- (ii) Co-operative societies that are interested in land acquisition should have a land committee that goes around and scout for land, reporting options back to the house; and allowing the house to take a decision based on what the committee has reported.
- (iii) When co-operative societies embark on land acquisition, they must ensure that only the funds of members who are interested in buying the land is tied into land acquisition rather than the savings of members. This is to be achieved by making sure members that are interested in the land, signify their interest in doing so by paying a third of the price of land as an initial deposit which will be used in securing the lands; and the co-operative collects the rest incrementally. *“It is absolutely essential that you obtain the consent of all members before embarking on the procurement of landed properties . . . You must ensure that intending beneficiaries make a deposit of at least 33 percent of the cost of land before the society can effect payment.” (Lagos State Ministry of Commerce, Industry and Co-operative, Operational Guidelines, 2017; item 3: Investment in Landed Properties).*
- (iv) They must have enough to talk about buying the land; also talk about the development of the land, within the shortest possible time. *“... Societies are advised to focus more on home ownership schemes as against mere land acquisition for members. Also, management must ensure that allottees take physical possession as soon as possible “ (Lagos State Ministry of Commerce, Industry and Co-operative, Operational Guidelines, 2017; item 3: Investment in Landed Properties).*
- (v) Finances for the acquisition of land through market-rate bank loans is to be taken with caution. This is because these loans are commercially, profit driven while co-operative societies are welfare driven. This mismatch has overtime, put co-operative societies at risk of inability to service the loans, creating management difficulties when the repayment of both the principal and the interest becomes a burden. If members’ needs for other welfare loans are not being met due to stringent conditions for bank loan repayment; dissatisfaction occurs between the co-operative leadership and members that strains the society. *“Long term loan facilities meant for the financing of co-operative housing projects or other long-term projects may be tolerated. But an approval must be obtained from the general body of members*

and the Director of Co-operative Societies before applying for such facilities. Beneficiaries of such facilities must also file in application, and copies of which must accompany documents to the Director for her consent.” (Lagos State Ministry of Commerce, Industry and Co-operative, Operational Guidelines, 2017; item 14(B) Bank/External Loans).

- (vi) The leadership of co-operative societies must be careful not to engage in fraudulent land deals with land-sellers. “...Documents including acquisition of landed properties must be attached before approval of Annual Account by the Director of Co-operative Societies. (Lagos State Ministry of Commerce, Industry and Co-operative, Operational Guidelines, 2017; item 3:Investment in Landed Properties).

The Methodology

The study is based on the survey of six hundred and eighty four co-operative members and leaders in Lagos, Nigeria. Lagos, the city with the highest population in Africa (UN Habitat 2014) with annual growth rate of 3.2 percent is expected to achieve a population of 28 million people by 2020 (Lagos State Ministry of Economic Planning and Budget, 2013). The city has a population of over 21 million people, and housing deficiencies are obvious in the over 200 slums in the state (Lagos State Government, 2013). The choice of the city as the study area for this chapter is based on the severity of its housing problems and the possibility of transferring solutions to other African cities with less severe problems.

The population of the survey are the 2,516 co-operative societies in Lagos State; as obtained from the 2015 directory of registered co-operative societies in Lagos State. The leadership (that is Presidents) and members of the co-operative societies constitute the sample units for this aspect of the study.

The Sample size determination for co-operative presidents was achieved using the formulae available online at <http://www.raosoft.com/samplesize.html> and calculated as 334; using 95 percent confidence level and 5 percent margin of error. However, this was increased by 80 percent; so that a total of 600 questionnaires were distributed to them in their offices using a systematic random sampling strategy. Of these, 450 were retrieved with 403 being considered fit for analysis. Thus, a response rate of 75 percent was achieved. Systematic random sampling is used for the identification of the co-operative leaders to be surveyed.

For members, a total of 300 members were purposefully sampled using captive audience sampling since the total membership was not captured in the database. A total of 283 were considered fit for analysis, after eliminating 17 that were not properly filled. A total of six hundred and eighty six respondents therefore took part in the survey.

The study utilised the structured questionnaire as the survey instrument. The

questionnaires, “Questionnaire A” and “Questionnaire B” related to the survey of the co-operative leadership and Members respectively. They were designed to ascertain the full range of activities of co-operatives societies in the housing sector and how members access them. The questionnaires had sections designed on a 7 point likert scale ranging from ‘extremely high’, ‘high’, ‘partially high’, ‘partially low’, ‘low’, ‘extremely low’ to ‘not at all’ and several close-ended questions.

Analysis and Results

The concept of social sustainability is used as the analytical framework for the study, to determine the potential of the adoption of co-operative societies as tools for achieving Agenda 2063’s housing aspiration. Social sustainability is measured across four dimensions: social inclusion, social justice, people empowerment and self-reliance.

Dimension 1: Social Inclusion

The social inclusion dimension addresses the first objective of the study, which is to ascertain the level of inclusivity of co-operative societies, from which conclusions can be made on the possible beneficiaries of their housing supply activities. It is measured by the presence of various categories of people in the membership of the co-operative societies.

Table 1: Measurement of Inclusion in Gender, Age and Educational Attainment Ratios

Table 1 shows that members were mostly male at 78 percent with 22 percent females. The gender disparity is quite high, with a male dominance. While this might be reflective of the dominance of males in both formal and informal workforce, it also suggests lesser number of women in active participation in co-operative societies. In terms of age distribution, the disparity is less severe, as membership cut across all age bands, with fewer (4%) in the less than 30 year age band and most (39%) in the 41-50 age group. Similarly, in terms of educational attainment, most respondents have a tertiary education degree(51%) while 22 percent had post graduate qualifications and eight percent (8%) had senior secondary school leaving certificates. However, there are people who do not have any formal education at all being members of the co-operative societies.

Most of the members were senior level employees in the formal sector (47%), while 20 percent are middle level employees and 17 percent are junior level employees. Nine percent (9%) of those surveyed were in the informal sector. While there were more senior level employees in the sample, the spread reflects the wide acceptability of co-operatives across income classes (contrary to perceptions that co-operative societies are for low income people alone) and the potential it has for reaching people across income classes and hence the capacity for promoting policies that are meant for reaching the general populace.

Dimension 2: Social Justice

The second objective of the study is to ascertain the depth of social justice the co-operative societies. In relation to the housing sector activities, the study seeks to ascertain whether the processes of decision-making in the societies is fair to members. This is measured by the perception of members on their involvement in decision-making in the housing supply activities of their societies.

Data on the level of involvement in members is collected separately for members and leaders using a 7-point Likert scale for 11 involvement variables. This is then subjected to independent sample T-test. We hypothesise that there are no differences in the responses of co-operative leaders and co-operative members with respect to level of member involvement in housing supply decision-making.

The analysis on Table 2 shows that the t-test statistics ranged from ($t = 14.982$, $df = 425.080$, $p = 0.00 < 0.05$), for land location decision-making, and ($t = 14.706$, $df = 443.909$, $p = 0.00 < 0.05$) for housing construction decision-making. Others are ($t = 7.158$, $df = 277.491$, $p = 0.00 < 0.05$) for size of land to buy, ($t = 15.289$, $df = 417.225$, $p = 0.00 < 0.05$) for location of land to buy and ($t = 6.545$, $df = 266.068$, $p = 0.00 < 0.05$) for decision making on whom to buy from and ($t = 6.930$, $df = 279.242$, $p = 0.00 < 0.05$) for decisions on price of land to buy respectively. The test statistics therefore shows that the null hypothesis of no significant difference for all six items is rejected since p-values are less than 0.05. The descriptive statistics indicate that the difference lies in co-operative leaders reporting higher levels of member participation than the members themselves. This implies that members believed they are not being carried along in land acquisition decision making processes of their co-operatives. On the other hand, it also signifies that there are internal conflicts in the management of co-operative societies.

Dimension 3: People Empowerment

A determination of the extent of people empowerment by co-operative societies is the third objective of the study. This is measured across variables that show the extent of co-operative participation in housing supply activities, which would show their ability to facilitate access to quality home ownership by members.

To measure the extent of facilitating access to home ownership, the current activities of co-operative societies across the three levels of housing supply value chain was ascertained.

Facilitation of Home ownership

The median frequency count was used as a tool for analysis, as is appropriate for frequencies of Likert scale items (Field, 2009).

As shown in Table 1, for loan activities, up to 25 percent of co-operatives had a

Table 1: Results of t-tests and descriptive statistics for member involvement by Co-operative leaders and Co-operative members

Indicators	Characteristics	Frequency	%
Gender of respondents N=686	Male	535	78
	Female	151	22
Age range of respondents Mean = 44.4 years N=686	<30	25	4
	30-40	191	28
	41-50	267	39
	>50	181	26
	Not stated	22	3
Employment of members N=283	Junior level employed	47	16.6
	Middle level employed	57	20.1
	Senior level employed	133	47.0
	Self-employed	26	9.2
	Not Stated	20	7.1
Highest education of respondents N=686	Primary Leaving Certificate	15	2
	Secondary Leaving Certificate	57	8
	Technical College	19	3
	OND	73	11
	HND/B.Sc	352	51
	Post graduate	154	22
	None	6	1
	Others	10	2

high participation in construction loan giving services for their members (that is, 2%, 8% and 15% had extremely high participation, high participation and partially high participation respectively). For land acquisition activities, a total of 27 percent of co-operatives responded that their activities was high in this area (6%, 11 percent and 10 percent of the respondents indicate they have extremely high, high and partially high activities).

Finally, only 1 percent of co-operatives indicated that they had a high activity (0% extremely high, 1% high and 0% partially high) in housing construction activities.

These frequency results indicate that co-operative societies are least active in construction activities, are engaged in loan provision activities, but have higher participation in land acquisition activities.

Table 2: Extent of Participation of both employment and non-employment based co-operative societies in housing supply

Member involvement variables	Group						Mean Difference			
	Co-operative leaders			Co-operative members						
	Mean	SD	n	Mean	SD	n		T	Df	Sig.
Land location decision	8.16	1.817	400	5.72	2.033	226	2.441	14.982	425.080	0.00
Whether to construct	8.02	2.085	400	5.36	2.215	226	2.655	14.706	443.909	0.00
Size of land to buy	8.04	2.072	400	5.73	4.599	226	2.312	7.158	277.491	0.00
Location of land to buy	8.19	1.847	400	5.59	2.130	226	2.593	15.289	417.225	0.00
Whom to buy from	8.00	2.12	400	5.58	5.315	226	2.416	6.545	266.068	0.00
Price of land to buy	8.02	2.098	400	5.78	4.583	226	2.234	6.930	279.242	0.00

Respondents were thereafter asked to provide details on land holdings for housing activities. Table 3 shows that 71 co-operatives provided this information, out of which 29 (or 40.9%) have up to 10 hectares of land in their possession, 15 (21.1%) had up to 20 hectares of land, 9(12.7%) had up to 30 hectares. Similarly, 9(12.7%) had up to 40 hectares, while 6 (8.4%) had up to 50 hectares, and 3 (4.2%) had over 50 hectares of land.

These results show that at the minimum, there is at least 1380.5 hectares of land in possession of 71 co-operative societies that own land; so that average land holding per co-operative is 19 hectares (1380.5 divided by 71). For the sample population of 401, land holding co-operatives equates 18 percent and this can be extrapolated for the entire population of 2516 co-operatives such that 453 (18% of 2516) can be adjudged to hold 8,605 hectares of land (19 x 453). Co-operative societies in Lagos State are thus able to muster enough resources to ensure that member have access to land and loans for home-ownership, while they seem unable to support actual home construction. This aligns with previous studies such as Adeboye and Oderinde (2013); Ibem and Odum (2011); Oyewole (2010) who have found that co-operative societies played a significant role in housing finance and land assembly components of the housing development value chain in Ibadan, Ogbomoso, Oyo and Enugu, thereby alleviating some of the constraints associated with access to home-ownership.

Table 3: Co-operative Land Acquisition for Housing Purposes

Scale/ Activity	Not at all	Extremely low	Low	Partially Low	Partially High	High	Extremely High	Not Stated	Total (n)
Loan	136 (34%)	43 (11%)	58 (14%)	41 (10%)	60 (15%)	34 (8%)	9 (2%)	22 (5%)	403 (100%)
Land	180 (44%)	27 (7%)	28 (7%)	23 (6%)	39 (10%)	44 (11%)	23 (6%)	39 (9%)	403 (100%)
Construc- tion	399 (99%)	0 (0%)	1 (0.2%)	1 (0.2%)	0 (0%)	1 (0.2%)	0 (0%)	1 (0.2%)	403 (100%)

Financial Contribution for Home-ownership

Further, respondents were asked various questions about the role their co-operatives play in housing finance and development. Responses indicate that in the past three years, more proportion of co-operative members (33.5%) had acquired loans for housing related purposes (24% to build their home and 9% to assist in house rents) than for any other purposes. A total of 1.4 percent had sought co-operative loans to pay their childrens' school fees, while 11% had taken loans to support their business activities (3.2% to start a business and 7.8% to improve existing businesses). This supports previous findings ssuch as Aderounmu *et al* (2014) and Lawanson and Oyalowo (2016) that has found that co-operatives contribute significantly to the upliftment of the socio-economic circumstances of their members.

Dimension 4: Self-reliance

The last objective of the study is to measure the ability of the co-operatives to muster both internal and external resources for self-development. The measurement of Self-reliance is measured by the ability of the co-operative to muster both internal resources and external resources for self-development. This is further decomposed into ability of the co-operative to organise and motivate its members to ensure solvency and liquidity (internal); while external self-reliance is measured by the ability of the co-operative to influence external organisations to support its goals for housing ownership.

To determine the extent of internal self-reliance, co-operative leaders were asked the various sources of finance utilised by their societies. Although sources ranged for registration fees to profits from investment, virtually all co-operatives relied mainly on internal sources of finance than other sources from external support. The extent of internal reliance is therefore very strong.

For measurement of external support, a seven point Likert-scale was utilised (and after data collection collapsed into three scales) to determine non-availability,

low availability and high availability of support from several external agencies that should be in a position to support co-operative societies.

There is a dearth of external linkages to organisations such as FMBN, Construction companies, professional bodies, town planning office, ministry of housing, building materials manufacturers, New town development authority of the Lagos State Government, Primary Mortgage Institutions and Commercial Banks. Above 60 percent of respondents reported non-availability of support from these organisations. The Some level of support is obtainable from employer organisations, ministry of lands, LASCOFED (Lagos co-operative federation), other co-operatives and area offices as well as the then supervising ministry of agriculture and co-operatives. All of these organisations have some regulatory relationship to the co-operative societies. The extent of support from external organisations is poor; indicating an inability of co-operatives to muster enough external support to support housing sector activities.

Table 4

Land holding	Frequency	Percent	Cumulative Percent	Total Land Holding	
	F	%		Mid-point (X)	Total(F*X)
1-10hec/1-25acr	29	40.9	40.9	5.5	159.5
11-20hec/26-49acr	15	21.1	62.0	15.5	232.5
21-30hec/27-74acr	9	12.7	74.7	25.5	229.5
31-40hec/75-99acr	9	12.7	87.4	35.5	319.5
41-50hec/100-124acr	6	8.4	95.8	45.5	273
>50hec/>124acr	3	4.2	4.2	55.5	166.5
Total	71	100			1380.5

Table 5: Members Co-operatives and Housing Finance

Indicator	Characteristics	No	%
Purpose of recent co-op loan	To build own home	70	24.7
	To pay house rent	25	8.8
	To pay children's' school fees	4	1.4
	To help with health care	1	.4
	To start a business	9	3.2
	To improve business	22	7.8
	To finance travelling	1	.4
	To finance celebrations	6	2.1
	Others	5	1.8
	Not applicable	2	.7
	Not stated	118	41.7
	None	20	7.1

Table 6: Support from External Organisations

Organisation	Non-Available %	Low Availability %	High Availability %	Remarks
Federal Mortgage Bank of Nigeria (FMBN)	69	22	9	POOR
Employer Organisation	42	27	32	FAIR
Construction Companies	75	16	9	POOR
Real Estate Developers	68	24	9	POOR
Professional Bodies	75	18	8	POOR
Town Planning offices	62	19	19	POOR
New Town Development Authority	64	21	15	POOR
Primary Mortgage Institution	67	18	15	POOR
Ministry of Housing	65	19	17	POOR
Ministry of Lands	55	24	21	FAIR
LASCOFED	58	22	20	FAIR
Other Co-operatives	52	20	29	FAIR
Building materials manufacturers	72	16	16	POOR
Area Co-operative Office	46	16	38	FAIR
Commercial banks	66	13	22	POOR
Ministry of agriculture and co-operatives	43	28	29	FAIR

Discussion and Policy Recommendations

Using the social sustainability concept as an analytical framework, some inferences can be made about the suitability of co-operative societies as the basis for action for the housing. First, in terms of social inclusiveness, the study has presented evidence that co-operative societies are quite inclusive, appealing to all age and income bands. While the proportion of senior staff are more in the sample, this also shows the level of acceptability of this structure across the people. The study also indicates that co-operative societies would mirror the general picture of the “outside” where they operate. This is seen in the gender balance, where there are far more men than women in the sample, indicative of imbalance in the workforce and itself suggesting the need for enhanced female empowerment through paid jobs in the state. Thus, it is important that women are encouraged to be more engaged in economic pursuits that lend itself to the level of self-organisation required to participate in co-operative societies. This is a challenge for the larger society, and indeed, the co-operative sector could be utilised to achieve this.

While co-operative societies tend to be inclusive, the second dimension of social sustainability-social justice-show that while there might be no basis for discriminatory treatment of members, members believed they were not fully involved in the housing related decision making process of their co-operatives. This is shown in the independent T test, that showed co-operative leaders indicating high level of member participation than members. The implication of this is that co-operative societies, despite being democratic societies may be failing in this area. There is need for them to collectively address the housing needs of their members while also carrying them along in the core decision-making process.

In terms of the third dimension-Social Empowerment, co-operative societies have made much progress. They address other social and economic needs of their members. Co-operative societies also engage actively in land acquisition and also construction loan services for members.

In terms of the fourth dimension (self-reliance), co-operatives are doing well in their ability to muster internal sources of funds to finance their activities, but they have made little progress in ensuring that they link up and engage external stakeholders to support their activities in the housing sector.

Across all four dimensions, it is clear that there are still opportunities for social inclusiveness in co-operative societies and can be the basis for social empowerment for members. However, there is need for more gender balance in the sector. There is also some level of social justice, however, these societies have to fulfill their democratic creed by ensuring members are highly involved in decision-making matters. This is being tackled by the co-ordinating Ministry, which insists that members be engaged, and evidence of this provided in housing related decision-making processes. If this is achieved, the built-in mechanism of co-operative societies that has successfully provided access to housing finance of members can then become a complementary tool towards enhancing the sense of social justice in the system. Lastly, while co-operative societies are highly dependent on own resources for their activities, that do not have sufficient clout to ensure obtain support from external organisations. It is arguable that this might be one reason why the ratio of co-operative societies involved in direct construction of housing is so low. The housing construction process can be highly technical, complex and capital intensive. Co-operative societies would require massive connections and support from several organisations to achieve this.

Conclusion

This chapter sought to bring together three major themes: Agenda 2063, Housing Crisis and the role of social sustainability. We have shown, through secondary data, the qualitative and quantitative housing crisis in several African countries. Addressing this challenge requires innovative methods, and the study shows the limitation of

government and the private sector to address these challenges. The central argument of this chapter is that co-operative societies could be utilised as a third strategy of housing supply in Africa, and using Lagos State, Nigeria as a case-study, the appropriateness of this argument is ascertained. The use of social sustainability as the analytical framework is founded on the need to ensure that solutions to the housing crisis is based on sound sustainable principles that forms the basis of Africa's Agenda 2063. Findings should therefore provide information that would be used to develop policy actions for the engagement of co-operatives in the housing sector.

It was found that co-operative societies have the strengths of being socially inclusive and capable of being a medium for people empowerment in the housing sector. However, social justice may be lacking in some dimensions, including member involvement. Also, while co-operatives are highly dependent on own resources, this is not sufficient; moreover, as their inability to gather external support to ensure they are able to directly construct housing units to satisfy members' needs is lacking.

In the final analysis, there is a strong positive potential for the adoption of co-operative societies as the basis for achieving the housing objectives of Agenda 2063. To achieve this in a sustainable way however, it is important to promote gender balance by more female participation in paid employment so they can participate more in employment-based co-operatives, there has to be mechanisms that would ensure member involvement in decision-making processes and also, the current strength of the co-operative societies to address financial needs should be further enhanced. There is an urgent need for concerted effort by all stakeholders to ensure that the co-operative sector is provided with enough support from external organisations to actualise their housing construction activities. In this way, co-operative societies can really become the third way that will be integrated into the housing supply sector of African Cities.

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