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Urban Service Delivery System and Federal Government Bureaucracy: A Structural Analysis of Spatial Distribution of Water Supply in a Suburban Community of Metropolitan Lagos

Michael Udochukwu Mbanaso
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URBAN SERVICE DELIVERY SYSTEM AND FEDERAL GOVERNMENT BUREAUCRACY:
A STRUCTURAL ANALYSIS OF SPATIAL DISTRIBUTION OF WATER SUPPLY IN
A SUBURBAN COMMUNITY OF METROPOLITAN LAGOS

by

MICHAEL UDOCHUKWU MEANASO

A dissertation submitted in partial fulfillment of the
requirements for the degree of

DOCTOR OF PHILOSOPHY
in
URBAN STUDIES

Portland State University
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TO THE OFFICE OF GRADUATE STUDIES:

The members of the Committee approve the dissertation of Michael Udochukwu Mbanaso presented May 2, 1989.

Jerry Lansdowne, Chair

Seymour Adler

Carl Abbott

Charles White

Candice Goucher

APPROVED:

Nohad A. Toulan/Dean, School of Urban and Public Affairs

Bernard Ross, Vice Provost for Graduate Studies
AN ABSTRACT OF THE DISSERTATION of Michael Udochukwu Mbanaso for the

Title: Urban Service Delivery System and Federal Government
   Bureaucracy: A Structural Analysis of Spatial Distribution
   of Water Supply in a Suburban Community of Metropolitan Lagos.

APPROVED BY THE MEMBERS OF THE DISSERTATION COMMITTEE:

Jerry Lansdowne, Chair
Seymour Adler
Carl Abbott
Charles White
Candice Goucher

This study identifies the prevailing scarcity of urban public
services and the conceptual relations among service delivery,
patronage, bureaucratic activities and structural factors in the Lagos
Metropolitan region. It examines the extent to which clientelism, bureaucratic decision rules and structural theoretical models explain water service delivery patterns in Festival Town (Festac), a suburb of Lagos, Nigeria.

The unprecedented pace of growth of the Lagos metropolis since the mid-twentieth century gave rise to the spectacular spatial expansion of the continuous built up region. Urban industrial and governmental institutions have not kept pace with the population growth rate of Lagos. This demographic trend also continues to tax the urban service delivery system - from housing, transportation, health and sanitation to water and electric supplies. The federal government policy proscription entailed the planning and creation of a new town, Festival town (Festac), as a response to addressing the urban public service problem in the Greater Lagos.

Festac is well serviced with modern urban infrastructural facilities for the delivery of water supply and water related services. In recent years, however, the local residents of Festac have been faced with a similar problem in water supply which is not different from that experienced by urban residents in other parts of Lagos. The painstaking efforts that detailed a pre-planned, designed, and carefully considered development of a new urban community have not succeeded in creating a regularly functioning delivery of water supply and water related services.

Previous works done in the early 1960's and 1970's tended to emphasize patron-client as the over-riding mode of service allocation in Africa, Latin America and other developing countries. This typology
suggests that service delivery patterns in these societies reflect clientelist relations. Its conclusive evidence has neglected the growth of modern institutions, and government structures; the emergence of large bureaucracies, and the formation of social-classes in these developing societies following decolonization.

Therefore, attempts in identifying the problem of the prevailing scarcity of water supply in Festac and the urban service delivery pattern in Nigerian social context, leads one to analyze the whole socio-political economic structure, thus offering a conceptualization of the role of the federal state to the activities at the local level and the provision of public services. Various analytical tools were utilized in conducting the study, including: field research, survey of the local residents, historical analysis, analyses of Nigerian federal government documents and Federal Housing Authority (F.H.A.) budget records and Annual Reports (1977-1987), and extensive interviews of bureaucratic (F.H.A) officials, technical personnel and workers. The study concludes that the central factors in the prevailing scarcity of water supply in Festac are technology and infrastructural dependence, and dwindling federal state revenues, all of which exacerbate the internal production of essential urban public services, and thereby making delivery problematic. The findings presented in this study demonstrate the significance of the specific articulation expressed in the link between the Nigerian export sector, the fiscal capacity of the federal state and public service financing.

The results of the study, however, suggest that a better understanding of the contemporary problems in public service delivery
in Nigeria, calls for an extension of the analysis beyond a set of fragmented, locally conceived issues, such as: patron-client or bureaucratic inefficiency and mismanagement, but rather, should include the inherent structural limitations in the Nigerian political economy, as it functions in a peripheral role within the global economic system. The study recommends that if the Nigerian public service delivery system is to overcome its contemporary problems, policies should be adopted which largely depend on existing internal resources.
This dissertation is dedicated to
the memory of my father,

A. Oruonye Mbanaso
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CHAPTER I

INTRODUCTION

METROPOLITAN SERVICES

The specific purpose of this study is to examine the extent to which clientelism, bureaucratic decision rules, and structuralist theoretical models best explain service delivery patterns in Festival Town, Nigeria. The production and distribution of urban public services have been underscored in recent years by the conflict among groups, bureaucracies, and segments of the metropolitan population, and in turn, has demonstrated the crucial relationships between city government and quality of life of the local residents. The nature of the conflict varies from place to place—in the United States between downtown and neighborhoods, between cultural, ethnic and income groups. In Europe, with government's much greater public role in housing and land markets, conflict has most recently become evident in the squatters' movements, but expresses itself also in the capture of local governments by parties on the left, the constant tension between upper- and working-class claims to territory, and the cultural and social demands of mobilized groups. Although, the less developed countries are dependent on outside capitalists, they however, display similar conflicts over territorial rights and investment demands (Fainstein and Fainstein, 1982). This study identifies the prevailing scarcity of urban public services and the conceptual relations among service
delivery, patronage, bureaucratic activities and structural factors in the Lagos metropolitan region. It examines the extent to which these theoretical models explain water service delivery patterns in Festival Town (Festac), a suburb of Lagos. It will as a result enable the study to understand and explain the central factors among the prevailing scarcity of essential urban public services in a developing economy, and in so doing, will produce an enhanced understanding of the place of locally provided public service in Nigerian political economy.

It is expected that the significant outcome of the study is to lend knowledge in rethinking the previous policy approaches in service allocation within the region, and as well serve as a vehicle for formulation of appropriate public service policies which affect the quality of lives of the local residents in Nigerian urban centers.

THE PROBLEM

Although water is one of earth's most plentiful resources, the World Health Organization has estimated that over thirteen hundred million people in the Third World lack facilities for safe drinking water and sanitation. Of this number, close to 35 percent live in the countries of Africa. Here domestic water facilities are underdeveloped with severe consequences for urban and rural population alike.

The production and distribution of water supply is thus an important topic in Third World development. It is linked to several other services and areas of planning including, economic development, education, health, housing, land use and public policy. Whereas past emphasis in implementation of water supply policies has been in the
development of large scale agricultural and industrial technologies and the provision of domestic water facilities to affluent urban dwellers, the emerging trend is quite different. Led by the United Nations, which has declared the period 1980 to 1990 the International Drinking Water and Sanitation Decade, the emphasis is supposed to be shifting to human rather than industrial technologies in water supply development.

Comparative urban social science research is replete with the dramatic pace of urban growth in the Third World since the mid-twentieth century, of which Nigeria is not an exception. Due to high rates of natural increase, rural-urban migration, and societal transformations, Nigerian urban areas have grown tremendously since the early 1960's and again in the early 1970's, following the bloody Nigeria/Biafra War (1967-1970). The result has been an increased demand for water supply and water related services in the urban centers. Nevertheless, the federal government has repeatedly failed or been unable to meet the demands for essential urban public services, such as pipe-borne water, low-cost housing, health and sanitation, transportation, sewage and refuse disposal, etc. A further outcome of which has been, the deplorable living conditions for many, overcrowding, proliferation of slums and squatters without basic public services, especially in the large metropolitan areas such as Lagos.

Generally, the chronic scarcity of urban public services in the Lagos metropolitan region is not anything new. It has been persistent, and indeed, has worsened over the years. Many people, especially young women and children, often have to transport or carry water in containers over long distances for domestic use.
The striking phenomenon, however, is that the much celebrated new town - Festac, a suburb of Lagos, is faced with a similar problem in water supply, which is not very different from what is experienced by urban residents in other sprawling parts of the metropolis. Festac is among the newly planned urban communities in the Third World, modeled after Western theoretical orientations, methods and standards. Festac is well serviced with modern urban infrastructural facilities for water delivery and water related services. Nevertheless, a preliminary field research which was undertaken in the region was conclusive to the extent that chronic shortage of water supply plagues the local residents of Festac. Here, domestic water supply is an on-and-off again occurrence both at peak and off-peak hours of water consumption. In other words, water supply is very irregular. The shortage of water delivery has created dependence on vendors for water provision. For the low-income families the cost is rather high. Some families spend up to 15 percent of their income on water supply from vendors, whereas the cost to them for pipe-borne water would amount to little or nothing.

Although urban development patterns in Festac replicate modernized Western infrastructural facilities, the problems of public services and the non-regularity of water delivery continue to plague the local residents. One would expect the contrary in local service delivery, given the painstaking efforts that detailed a pre-planned, designed, and carefully considered development of a new urban community. In Festac, a large federal government bureaucracy (Federal
Housing Authority - FHA) oversees the day-to-day delivery of water supply and other water related services.

Given the sophisticated nature of the designs of some of the infrastructural facilities in Festac, the prevailing scarcity of water supply may perhaps lead to an analysis in a structural context of the problem of supply. In other words, the acute shortage of water supply in Festac may not be a distributional problem, but rather, the problem of production and supply, and as such may lead to a broader theoretical perspective of the global political economy.

Therefore, the questions then become: Where does this problem of chronic shortage of water supply lie? How much does the service providing bureaucracy (FHA) shape water service delivery pattern? How much of the blame for the prevailing water scarcity must F.H.A. bear? Could this be an outcome of inherent limitations in Nigerian social structure? Is development pattern or agent of modernization at fault? In order to address these questions, this study focuses on three public service theoretical models (Clientelism, Bureaucratic Decision Rules and Structural) in understanding the prevailing scarcity of water supply in Festac.

REVIEW OF THE LITERATURE

A critical review of Clientelism, Bureaucratic Decision Rules and Structuralist theoretical models will be outlined in this section.

Clientelism

The patron-client model of association (ethnic or personal linkages and political patronage), was popularized largely by western
anthropologists (Geertz, 1963; Gluckman, 1963), demonstrating conflict in Africa as well as in Latin America (Powell, 1970), an understanding of politics in less developed nations (Scott, 1972), and the exchange process in patterns of resource allocation and distribution as indicators of political development (Lemarchand and Legg, 1972). On political clientelism, Lemarchand and Legg (1972) suggest that it may be viewed as a more or less personalized, effective, and reciprocal relationship between actors, or sets of actors, commanding unequal resources and involving mutually beneficial transactions that have political ramifications beyond the immediate sphere of dyadic relationships. For instance, the established or aspiring politician who lacks other resources must construct a mutually reinforcing system of clients and influence. The main asset he/she can offer to potential clients is effective brokerage with higher authorities. The main asset he can offer higher authorities is control over a substantial political following. This is usually the case in the positions of what Nelson (1979) calls the 'casique' or neighborhood boss in many Latin American cities and his/her counterpart elsewhere. The neighborhood boss may own a number of lots or houses in the neighborhood. He/She may have a higher income than the neighborhood average and thus be able to extend small loans. But, the material and other benefits that he can dispense directly out of his/her own resources are limited. His/Her main claim to local loyalty and obedience depends on his/her capacity to extract favors from the authorities. Such favors commonly include help in locating medical treatment or legal advice, arranging for enrollment of children in the overcrowded public schools or for waiver of school
fees, recommendations to possible businesses and intervention and sometimes even payment of fines on behalf of individuals in trouble with the police (Nelson, 1979).

The element of lopsidedness is the really crucial element in the clientage relationship, as it expresses the differential control of patrons and clients over resources, and the resultant asymmetry of statuses and obligations between them (Lemarchand and Legg, 1972). Thus, the vassal owes personal service to his lord, but the lord owes protection to his vassal in time of war; the client-chief owes tribute to his ruler, but the ruler owes him political rights and privileges commensurate with his rank; the peasant and his family provide votes for a politician, and he in turn must cater to their material needs (Lemarchand and Legg, 1972).

Clientelism demonstrates a way of competing for public resources either individually or collectively (Barnes, 1986). Some scholars, however, suggest that competition for scarce resources in the cities of the less developed countries precipitates clientelist relations (Scott, 1972), partly because, the available but limited resources are highly concentrated in the hands of a few key actors who wield political and economic influence. The most basic urban resources—things taken for granted in the wealthy nations such as shelter, jobs, and education, or even simple amenities such as licenses, water supplies, and public transportation are scarce resources in the burgeoning cities of the less advantaged world (Barnes, 1986).

In practice, however, elements of clientelism may persist behind the facade of new social referents or institutions. Notables and
influentials commanding unequal or non-additive resources may in fact relate to each other in a manner not unlike that of patrons and clients, and the analytic structure of clientelism may reappear in the guise of concrete institutional structures that have all the outward appurtenances of a legal-rational universe (Lemarchand and Legg, 1972). On clientelist political development as one of the main characteristics of modernization, these scholars (Powell, 1970; Lemarchand and Legg, 1972) maintain that clientelism provides the basis for a network of reciprocities between the center and the periphery through which policy outputs can be mediated and implemented on a regional or nationwide scale. The rural problem-solving system (Powell, 1970) explicitly identifies with clientelistic politics, and serves as the mechanism through which rural societies adapt themselves to sociopolitical change (Powell, 1970; Lemarchand and Legg, 1972).

On group and ethnic clientelist relations, Nelson (1979), suggests that, because their resources are limited and they are eager to develop as wide a circle of clients as possible, local and even higher level politicians in less developed countries also stress benefits that flow to groups rather than to individuals—sewer or water lines, a wide variety of other physical improvements, or perhaps soccer uniforms for the neighborhood team. In African urban settings, clientelism is designated on ethnic linkages. It is common to interpret African politics in ethnic terms. Ethnicity is perceived to be the central unifying concept for the analysis of African life. This perspective has been internalized to such an extent that even Africans themselves now think of the dynamics of their societies as being
dominated by that phenomenon. In Africa the concept has a colonial origin and its function was tied to the nature and purpose of colonialism (Nhuli, 1978).

In the Nigerian social context, the perception of the social and political problems of the society is seen by some scholars in terms of clientelist relations that are mainly based upon ethnic linkages, and as a result has posed the major obstacle to social stability. The breakdown of the First Republic (October 1960-January 1966), the coming to power by the military, and the bloody three-year Nigerian/Biafran (Civil) war were precipitated by ethnic and regional conflicts. Clientelism in terms of ethnic linkages, undermines conflict in the economy and polity as well. Ethnicity has served and continues to serve as a positive force of identity in the adaptation of Nigerian society to the grave destabilizing effects of development. Urban immigrants, for instance, have found that their initial survival in cities depends on the generosity of their clansmen (Ohiorhenuan, 1984). The most critical factor in this context is the degree of socioeconomic competition involved. Given the capitalistic structures and values of colonial Nigeria and its dependent relations with British and in general Western capitalism, competition is the most dominant feature of the urban setting. In the face of an extreme scarcity of socioeconomic rewards and an intolerable degree of inequality, it could hardly be otherwise (Nhuli, 1978).

The Limitations of Clientelism

A disproportionate number of comparative studies on forms of clientelism in recent years, however, seem to dwell extensively on the
cities of less developed countries. Some scholars (Lemarchand and Legg, 1972) have extended the typology to include lands and vassals, political, social, or economic elites and masses, officials and group representatives; protection and service, votes, economic assistance, influence, and intercession, public policy, access, and personal satisfaction are among the types of goods and services exchanged. The typology, in a word, is so broad as to exclude practically nothing, and their usage makes it advisable to consider some of the drawbacks of treating clientelism in a paradigmatic fashion (Kaufman, 1974).

Some scholars further suggest that, comparative mainstream urban social science research is deficient on modern institutional governmental structures, bureaucratic and class formations, and their impacts on resource allocation and distribution in African urban environments. Rather than having a class perspective, previous studies tended either to ignore issues of systematic inequality and social stratification, or to subordinate them to an interest in ethnic stratification, especially in the arcane form of tribalism (Cohen, 1981). Clearly, however, (Kaufman, 1974) the linkages between national and international systems involve a multiplicity of non-clientelist factors as well—multinational corporations, foreign governments, international marketing institutions, and domestic laws and institutions designed to perpetuate the monopoly of Third World elites and others over resources flowing in from the outside. To place the clientelist phenomenon into proper perspective, it is necessary to weigh its role vis-a-vis these other factors: institutions and governmental structures.
The focus on clientelism (ethnic linkages) is the tendency of such an analysis to over exaggerate the importance of ethnicity in African politics, and to encourage the diversion of research efforts away from other more important variables. There are other equally, if not more, important variables which must be taken into account in explaining African politics and social relations. One of them is the place occupied by actors in the social production process. A focus on it permits us to discern historical trends and to elucidate the directions of social movement (Nnoli, 1978). Ethnicity is not only an anachronistic misnomer (Mafeje, 1971; Nnoli, 1978) which impedes crosscultural analysis by drawing invidious and highly suspect distinctions between Africans and other peoples of the world, but that it also oversimplifies, mystifies and obscures the real nature of economic and power relations among Africans themselves and between them and the capitalist world.

The issue of clientelism is very complex in Nigeria. Some students of African political economy (Mafeje, 1971) suggest that, clientelism is a ploy on the part of the new African elite to conceal their exploitative role. Sklar (1963) suggests that ethnic movements may be created and instigated to action by the new elite in furtherance of their own special interests, which are often the constitutive interests of emerging social classes. Nigeria is basically a dependent economy. Given the state of Nigerian underdevelopment, control of the state is the main source of private wealth accumulation. In seeking to become properly bourgeois, members of the Nigerian elite mobilize
support for themselves by invoking the bogey of clientelism in ethnic relations (Ohiorhenuan, 1984).

**Bureaucratic Decision Rules Approach**

It is argued that bureaucracies are able to wield power for a number of reasons. First and foremost, they have grown enormously in the twentieth century in terms of numbers of personnel, the scope of their powers and the size of their budgets. In large part this must be seen as a response to the growing complexity of urban society which demands increased management, regulation and a host of complex services performed by numerous agencies (Pinch, 1985).

Some students of service delivery argue that the key to understanding the behavior of bureaucracies and their impact upon service delivery in cities lies in the concept of what Levy and his associates call "decision rules" (Levy et al., 1974) or what Jones and his colleagues call "service delivery rules" (Jones et al., 1978). Government bureaucracies more or less explicitly accept the goal of implementing rational criteria for the delivery of services to citizens, even though compromises may have to be made in the establishment of these criteria. These production oriented give rise to service delivery rules, regularized procedures for the delivery of services, which are attempts to codify the productivity goals of urban service bureaucracies. These rules have distinct, definable distributional consequences which often go unrecognized (Jones et al., 1978).

Service decision rules may be based on different sets of criteria such as uniformity, need, demand, efficiency and power. They can be
formulated and implemented at various levels in the bureaucratic hierarchy for a number of reasons. At the higher levels these decision rules may be affected by what Jones terms "macro-political influences." These rules are formulated, consciously or unconsciously, in an environment which favors the view of service as product and discourages inquiry into the distributional consequences of the rules. That is, while rules may be relevant to the production of a product or achieving a goal at community level, distributional consequences are generally not considered, unless elements outside the service delivery organization, such as the mayor, the city council, or irate, organized citizens, impinge on the bureaucratic routine (Jones, et al., 1978).

The relevance of bureaucratic decision rules in understanding service (water) delivery pattern in a Nigerian urban setting is the enormous growth of government bureaucracies in recent decades, coupled with the fact that a federal bureaucracy oversees the day-to-day delivery of public services in Festac. Some scholars argue that the post-colonial Nigerian state directly appropriates and deploys in bureaucratically directed economic activity, a large part of the economic surplus. The privileges of the bureaucracy vis-a-vis the wider society has been on the increase since the 1970's and the power of the top bureaucrats is considerably enhanced. The bureaucrats run the affairs of government for the military, and it is well placed to influence the choice of contractors for particular projects, the choice of suppliers for particular commodities, and the delivery of locally provided public goods and services (Ohiorhenuan, 1974).
The Limitations of Bureaucratic Decision Rules Approach

In the wake of all this evidence it would seem that few could deny the importance of local officials upon service distributions in cities. Nevertheless, it is important to recognize that these studies have a number of fundamental methodological limitations which, at the very least, cast some doubt upon many of the findings, and at worst, call for a reformulation of the approach (Pinch, 1985).

Rather than questioning the outcomes of bureaucratic activities (who benefits?), some scholars examine inputs (who directs the process?) how much does government regulation cost?, and outputs (aggregate benefits). Implicit in this critique is the characterization of bureaucracy as a "Frankenstein's monster", reified and uncontrollable, operating according to its own autonomous logic rather than rooted in the social structure (Fainstein and Fainstein, 1980).

While there is good reason to question whether service agencies are unified enough to make decision rules effective guides to action (Nivola, 1979), the impact of such rules would be to foster a distribution of services in accord with "politically neutral" criteria that are blind to recipient's class standing (Rich, 1982).

Some students (Lineberry, 1977) of urban services point to evidence that distributional patterns seem to favor different class and racial groups in different cities and service areas in an almost random pattern as support for the thesis that class conflict plays no important role in public service delivery, due largely to the power of bureaucracies to control the day-to-day distribution of services. Such an interpretation (Rich, 1982), is possible, however, only if one
disregards the role of public services in the larger political economy. The evidence that some services are distributed relatively equally among population groups, or even in a compensatory fashion (going disproportionately to lower-income people) can be seen as evidence that class interests are being served by the service delivery system (Rich, 1982). That is to say, irrespective of distributional pattern, class interests are being served.

It is important to recognize that there are at least two broad dimensions to the concept of service distribution. The first is the allocation of public funds among alternative types of services. This decision, made in the budgetary process, determines which among an array of potential services the state will produce, and the level at which each will be provided. The second dimension of service distribution is reflected in the allocation of those services that are to be provided among population groups. This allocation determines who will get how much of the available public services. Of the two distributive decisions, the former has far more impact. When political elites set the rules of the service delivery game through decisions made at the legislative stage of functional budget allocations, they have every reason to be content to leave the calling of individual plays to bureaucratic umpires. Indeed, it is to their great advantage to have routine distributional decisions made by professional bureaucrats guided by technically determined rules (Rich, 1982).

The environments of bureaucracies are defined not only by administrative and legal structures, but also by classes and interest groups, by political milieus of consensus or conflict, by missions
which serve the rich and powerful or the poor and weak. Just as inequality and conflict are the "other side" of capitalist economic structures, so too are they central elements in the bureaucratic context (Fainstein and Fainstein, 1980). The mission, resources, and performance of state administration are the outcomes of political struggle, defined more or less directly by class conflict (O'Connor, 1973; Harvey, 1973; Castells, 1977; Fainstein and Fainstein, 1980). The performance of various state agencies will be affected by which class interests they serve and by how well those interests are mobilized. State agencies routinely serve the need of capital, but only serve the lower class when pressured from below (Fainstein and Fainstein, 1980).

The relevance of bureaucratic decision rules approach in this study is that the present economic and political arrangements in Nigeria have produced three contending classes of interests within the ruling group. These are the interests of the military, the interests of the bureaucracy and the interests of domestic and foreign capital (Ohiorhenuan, 1984). The expansion of the state sector made the bureaucracy more powerful vis-a-vis the private sector. This has placed more opportunities for well-placed bureaucratic officials to influence public policy outcomes.

**Structural Approach**

Recent years have seen the emergence on an international basis of another approach to the problems of conceptualizing the role of the state to the activities of local government in providing public goods and services. This approach has been described in terms that vary by
national setting. In Europe it is referred to as structuralist approach (Pickvance, 1974; Harloe, 1976), the North Americans prefer the term "political economy" (Harvey, 1973; Gordon, 1971), the Latin Americans "dependent urbanism" (Castells, 1977), and the Africanists "uneven development" or "neo-colonialism" (Amin, 1976; Rodney, 1974). Despite several labels, the approach attempts to develop the economic foundations and functions of urbanism; to account for various urban forms, while seeking for non-stereotyped answers to contemporary urban problems (Walton, 1976).

The structural approach recognizes the existence of various interrelated levels of social organization — primarily these are the "economic," "political" and "social." The economic level is ultimately considered to be the most important level in that it conditions all the other levels, but not in any rigid manner. For this reason the levels are regarded as being relatively autonomous. Fundamental contradictions between the forces of production and the relations of production will find expression at various levels. However, while the state may give in to short-term demands from the working class, it will always work in the long-term interests of the dominant monopoly capital (Pinch, 1985).

Rich (1982) suggests that there are subtle and complex relationships between public production of services and patterns of urbanization in capitalist nations which are often neglected by students of urban service delivery, but which shape that delivery in profound ways. Some scholars often come to the study of service delivery with the assumption that public services should be equally
distributed, or at least distributed in proportion to some criteria of need. When they find deviations from such a distribution, they treat it as an aberration (Rich, 1979; Rich, 1982).

Thus, the context of service delivery and urban underdevelopment in the Third World -- the problems of housing, public services, unemployment, crimes of desperation, and so forth are consequences of a local economy that is misdeveloped and deformed by its orientation to external demands and the profits of social-classes closely linked to those demands (Walton, 1982). With reference to Nigeria, structural approach in local service delivery will be examined and analyzed via the dependency critique of development theory. The most important characteristic of this critique is its focus on the interplay between internal and external structures in the analysis of underdevelopment and the problems of locally provided public goods and services. The relevance of this approach is to analyze the place of local service delivery in Nigerian political economy, and an examination of the role of the federal state to the activities at the local level and the provision of public services.

The Limitations of Structural Approach

The structural approach often ignores actual processes of decision-making. It leaves out elements of actual people, bureaucrats, interests and pressure groups and political patronage. A consequence of structuralist approach (Pinch, 1985) is to reject as "ideological" any perspective which focuses exclusively upon individuals such as bureaucrats and politicians. Another consequence of this approach is to attack as "ideological" any approach which considers space to be an
independent variable in the explanation of inequality, since this reveals nothing about the underlying social relations (Pinch, 1985).

The crucial issue of numerous conflicts of interest which emerge in the modern capitalist state (O'Connor, 1973; Pinch, 1985), is whether one envisages these functions as inevitably tied to the interests of capital, or to some notion of the "common good" or collective national interest.

Many public services may be a response to popular pressures, even though such services have subsequently benefited certain capitalist interests. We need to recognize the importance of the dominant capitalist mode of production in affecting and restricting state policies, since the state must attempt to maintain the conditions under which production can take place. However, these relationships need to be analyzed in a way that calls for a recognition of the complexity of interaction between many groups and institutions in modern societies (Pinch, 1985).

With all their shortcomings (Clientelism, Bureaucratic Decision Rules and Structural), this study will employ these three theoretical approaches in order to examine the extent to which they explain local delivery of water-supply in Festival Town, Nigeria. The study, therefore, will emphasize the complementarity of these models in understanding water delivery patterns in Festival Town and the prevailing scarcity of urban public services in Nigerian social context.
THE SETTING: LAGOS METROPOLIS AND
THE CREATION OF FESTIVAL TOWN

The size, diversity and complexity of Nigeria have attracted the attention of students of comparative social science research in recent decades. Periodic military incursions into politics have drawn international attention. Against this backdrop of dramatic political change, industrial activities have transformed Nigeria's capital, Lagos metropolis, into one of the most challenging and troubled cities in the world.

Figure 1 provides a geographical map of present-day Nigeria, displaying the nation's twenty-one local states and their capital cities. At the time of 'political independence' in 1960, there were three virtually autonomous regions that made up the Nigerian federal system of government. These were the Northern, Eastern and Western regions. The first Nigerian military coup in January 1966, however, brought an immediate collapse of the First Republic, as well as the end of local regional governments. Within the post Nigerian Civil War period, the country has experienced the creation of local state governments, thus, replacing the previous regional system.
Figure 1. NIGERIA. Source: F.H.A. Diary, Festac, Lagos, 1988.
Historical Background of Lagos

In many ways Lagos is the most unique of that class of Nigerian cities which owe their growth and development largely to European influence. Here the chance concentration of traffic imposed by the construction of the railways in 1895 and the later improvement of port facilities in 1914 gave Lagos maximum significance in the predominantly export-trade orientation of the Nigerian economy. Except for Port Harcourt, no other city in Nigeria is favored by being the joint termini of major land and sea routes (Mabogunje, 1968:238).

As many urban historians have documented, the ancient site of Lagos was known to Europeans as early as the sixteenth century because of its favored coastal position (Barnes, 1986), however, Lagos is not exactly a European creation (Mabogunje, 1968). Prior to the intrusion of the European there had been a small town on the site of what is known today as Lagos. The initial settlers were Awori, members of a subgroup of the Yoruba, whose land extends for nearly 40 miles inland from the coast. The Ijebu and the Awori are the most southerly of the Yoruba-speaking people, and were the original Lagosians. Their town and island were known to them as 'Eko', while the name 'Lagos' was later derived from the Portuguese word for 'Lagoon' (Smith, 1974).

Although Lagos had been involved in the slave-trade since the eighteenth century, it was not until after 1821 that it became an important slaving port on the West African coast. For more than fifty years there was a flourishing slave market in the city's harbors and an increasing involvement with European merchants until the British concluded that their economic interests could be secured, and slave-
trading curtailed if Lagos were brought under its influence. In 1851
the British bombarded and then occupied Lagos, routing its king and
enthroning a successor who they believed would support their anti-
slavery movement. British merchants were taking up residence in Lagos
in order to expand their legitimate trade in palm oil, ivory, and
indigenously made cloth, and a consul was installed to protect those
interests.

In 1861, the British presence in the Lagos area was concretely
formalized with a treaty ceding it to the Queen. The new colony
consisted of a large section considered to be under British protection
and four small sections considered to be actual British territory. It
contained all of the territory, and more, what eventually would be
known as metropolitan Lagos. This included the port and island of
Lagos and the nearby villages that the British presumed to be under the
influence of the city's Chiefs (Barnes, 1986:23). Approximately, for
the next one-hundred years the region fell under the British hegemony.

Smith (1974) argues:

The British had thus gained a new foothold on the west coast
of Africa, and one which in the high days of imperialism during
the last two decades of the century was to provide a base for
rapid and vast expansion (Smith, 1974:400).

The present pattern and conditions of urbanization in West Africa
owe much to the colonial past. This is true not only of the atmosphere
and location of towns but also with regard to the nature of the role
these towns have played and are continuing to play in the economic
development of these independent States (Gugler and Flanagan, 1978).
The developments in commerce, port functions and industrialization gave
rise to a phenomenal increase in the population of Lagos. The Second
World War stimulated a new upward trend which by 1950 had the effect of raising the population of Lagos to almost twice the size of the 1931 population (See Table 1). The rapid growth of population in Lagos was accounted for partly by natural increase and partly by a fresh wave of immigration from all over Nigeria and West Africa (Mabogunje, 1968).

**TABLE I**

**GROWTH OF LAGOS IN THE TWENTIETH CENTURY**

<table>
<thead>
<tr>
<th>Year of Census</th>
<th>Area covered by Census (sq.mls.)</th>
<th>Total population</th>
<th>Annual rate of increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>1891</td>
<td>1.55 (Not available)</td>
<td>32,508</td>
<td>2.5</td>
</tr>
<tr>
<td>1901</td>
<td>18.00</td>
<td>41,847*</td>
<td>2.7</td>
</tr>
<tr>
<td>1911</td>
<td>20.17</td>
<td>73,756</td>
<td>3.1</td>
</tr>
<tr>
<td>1921</td>
<td>25.59</td>
<td>99,690</td>
<td></td>
</tr>
<tr>
<td>1931</td>
<td>27.22</td>
<td>126,108</td>
<td>2.3</td>
</tr>
<tr>
<td>1950</td>
<td></td>
<td>230,256</td>
<td>3.3</td>
</tr>
</tbody>
</table>

*The census for the first time included the population of Iddo Island and Ebute Metta (2,450)*

Source: Mabogunje (1968:257).

The dramatic increase in the commercial development activities which began to occur in Lagos around the mid-twentieth century gave rise to the spectacular spatial expansion of the continuous built-up area beyond the legal confines of the municipality. The population of metropolitan Lagos reached the one million mark in the early 1950's. The population of metropolitan Lagos increased tenfold from 356,137 to 3.5 million in the twenty-five year period between 1952 and 1977. The city is expected to exceed nine million by the year 2000, and the current population estimate stands at about five million (Barnes,
1986). This population growth is attributed to immigration and a rise in the rate of natural increase, mainly as a result of a drastic fall in the death rate, and especially because of a sharp decrease in the infant mortality rate.

Economically, Lagos is the most diversified urban center in Nigeria, all sectors of economic activity being heavily represented in it with the only exception of agriculture. It is the country's largest industrial center, accounting in the 1970's for over 45 percent of the total national manufacturing employment in establishments with more than ten employees. Other studies (Barnes, 1986), however, specifically suggest that by 1975, more than 55 percent of Nigeria's industrial establishments were located in the metropolitan area of Lagos and they, in turn, contributed 70 percent of the national gross industrial output. Lagos is the focal point of international trade. Equipped with the largest port in the country, Lagos is the center of foreign and wholesale trade, and the headquarters of the most powerful trading firms. Lagos serves as Nigeria's financial hub, and the only stock exchange is also located in the city. It is the country's chief administrative center, being both the federal capital of Nigeria, as well as the capital of Lagos State.

Given these concentration of economic, political and industrial activities in Lagos, the city has become the largest urban center in Nigeria, and as a result it continues to draw population from all other parts of the country. In effect, urban industrial and governmental institutions have not kept pace with the population growth rate of Lagos. The heavy influx of large numbers of migrants has created
enormous problems for metropolitan Lagos. This demographic trend also continues to tax the urban service delivery system. Housing, among other urban public services, is one of the most acute problems that faces Lagos, and the creation of Festival Town was partly a response to solving the problem of housing in the Greater Lagos.

Festival Town is one of a number of communities of metropolitan Lagos (Figure 2). Whereas, Lagos is too large to be studied by an individual researcher, given time and money constraints, this community represents a more appropriate and manageable unit of study. It is a planned community from the ground up. Besides, as Mabogunje (1968) suggests:

Like other cities in the world which have exploded beyond their administrative limits, metropolitan Lagos has the problem of not being regarded as an entity for statistical purposes. The result is that while data exist for the municipality, there is nothing comparable for the rest of the metropolitan area (Mabogunje, 1968:291).

Festival Town, however, has an area with easily definable boundaries and a heterogeneous population (Figure 3). In addition, it seems to offer the best opportunity to study a meaningful urban community and many inter-ethnic and class contacts.

THE NEW MODEL URBAN RESIDENTIAL COMMUNITY:
FESTIVAL TOWN (FESTAC)

In contrast to most urban centers whose origins date from the first centuries of African-European trade or even earlier, Festac is among the newly planned urban communities in the Third World, modeled after Western theoretical orientations, methods and standards. A few such other designed cities include: Brasilia (Brazil), Ciudad Guyana
Figure 2. Festival Town: Lagos Phases of Growth. Source: Black Arts Festival - Master Plan (1975).
Figure 3. Festival Town - Revised Master Plan. Source: Street Guide in the Festival Town (1979).
Note: See Appendix for an enlarged Revised Master Plan.
(Venezuela) and Abuja (Nigeria). In 1974, the Housing Authority of the Federal Government of Nigeria engaged a transnational consulting firm, Doxiadis Associates Int. Co. Ltd. (Consultants on Development and Ekistics), to provide consulting services and to carry out certain studies for a new area in Greater Lagos which was intended to be developed as a residential area within the framework of the National Housing Program (DOX-NIG-A75:1, Lagos)\(^3\). The short term objective of the project was to provide accommodations for delegates and visitors to the Second World Black and African Festival of Arts and Culture, which took place in Lagos from January 15, 1977 to February 12, 1977. Festival Town derived its name from this world event. The long term plan behind the development of this urban entity was to create a model residential community that would relieve the City of Lagos of its acute housing problem.

A Background

According to the Master Plan, the town in its ultimate phase of development would occupy an area of 1,770 Hectares (4,424 acres), comprising seven residential communities of 24,000 dwelling units and would be able to accommodate a total number of 140,000 people. Festac is located at a distance of about 10 KM (6.2 miles) west of Lagos Island (Figure 4) along the new Badagri road which forms the town's southern boundary. The site of the Amuwo Odofin housing scheme of the Lagos State Development and Properties Corporation (LSDPC) and Shasha River form the eastern boundary of the town while the site of the International Fair, which was developed by the Federal Ministry of Trade, form part of its western boundary (Figure 5).
Figure 4. Lagos Street Map. Source: F.H.A. Diary, Festac, Lagos, 1988.
Figure 5. Festival Town: The Site Within the Greater Lagos.
Source: Black Arts Festival Master Plan (1975).
There is still a virgin land which is to be developed as the Town's Community IV. The present phase is made up of three residential communities.

The major topographical feature of Festac is a physical ground ridge that spans the whole town in an east-west direction along the strip, a short distance away from the Lagos-Badagri Express way. The ridge slopes in either direction i.e. southwards to the Express way and northwards. It is approximately nine metres above mean sea level. The underdeveloped portion north of the present phase slopes gently and lies generally flat and marshy with ground elevation at 2.0 metres to 2.5 metres. The ecological formation of the town is the recent coastal deposits which form the extensive and swampy alluvial plains of the major rivers and creeks along the coast overlying the coastal plain sands. In the wider areas two types of soil are encountered: sands and clays. Sands are predominant. Clays appear as lenses of various thickness intercepting the sands (A Demographic and Social Study of the Festival Town, F.H.A., Festac, Lagos, 1985:13).

An important requirement at the initial implementation phase of this residential project was that the town should be self-sufficient and satisfactorily functioning in all development stages. Another important requirement was to provide the population of Festac with employment opportunities within the community, thereby, eliminating the inconvenience of long trips to work.

The Festival Town is to be served by a Central Business District that is yet to be constructed. There are, however, business centers of lower order located within the respective residential communities that
are enhanced by the pedestrian walkways which ensure separation of pedestrian and motor traffic. Residents are grouped around central facilities so that the facilities closest to residents can be conveniently reached on foot by the inhabitants. The town is provided with major road transportation arteries forming a grid to facilitate better distribution of traffic and connection with Lagos Metropolitan area. Lower order roads serve local traffic while in very small residential neighborhoods no through traffic is allowed as all the streets end in cul de sac (A Demographic and Social Study of Festac, 1985:13). It was observed that all housing plots in Festac are well served by the road network, creating easy accessibility to all points in the town. Here, the road network connectivity is very impressive on Nigerian standards.

Festac is well serviced with modern infrastructural facilities. It has the modern central sludge activated sewage distribution and treatment network. It was learned that the sewage treatment and disposal method provided in the town is the most modern central sewage in the entire country. Electric supply is by underground cable. Public facilities provided include schools (kindergarten through secondary), clinics and places of religious worship. The Authority has been responsible for refuse disposal in Festac. According to F.H.A. documents, due to the sophisticated nature of the designs of some of the infrastructural facilities, the maintenance cost to the Authority is rather high. Employment opportunities abound in so many medium and small scale industries located along Badagry Road. Recreational areas are being developed at the open parks distributed at various locations
within each residential community (A Demographic and Social Study of Festac, 1985:13).

**Demographic Mix**

Lagos generally is regarded as heterogenous, but recent demographic studies suggest that Festac is more heterogenous than metropolitan Lagos itself. The town has brought together families with different ways of life. A cross section of different Nigerian ethnic and cultural groups are represented in the town. Recent surveys also suggest that there has been an increase in the number of foreign nationals residing in Festac (Report on Survey of Festac Town: House and Infrastructures, F.H.A., Festac (Lagos), 1987).

A 1985 demographic survey of Festac put the estimated population of the town at fifty-eight thousand, three hundred eleven (58,311) with about 10,000 dwelling units. This was broken down into twenty-nine thousand, two hundred eighty-two (29,282) male which is 50.22 percent of the total population, and twenty-nine thousand, twenty-nine (29,029) female which is 49.78 percent of the total population. However, there has been a dramatic change in the population of Festac most recently.

Another study that was carried out in 1987 suggests a surge in the population of the town, both from natural increase and immigration. The study found that the number of persons per housing unit was 6.86 while the average number of persons per room is 1.8. These figures may not reflect an impression of overcrowding in the town particularly, when viewed against the general standard in Nigeria. But, when viewed against the general standard in other parts of the world where a density of more than 1.5 persons per room is considered as over
crowding, one may then conclude that the present phase of Festac has exceeded the model standard of modern urban living that was envisaged. Officials of the Federal Housing Authority (F.H.A.) suggest that given the population densities in the individual households of the town, it would be correct to put the estimated population of the current phase of the town at about 100,000, thus it has exceeded the pace of growth that was envisaged. The population pressures are more on the low income houses. Density is highest in the T1 (one bedroom flat) houses as a density of 2.5 persons per room was identified (Report on Survey of Festac Town: Houses and Infrastructures, F.H.A., Festac (Lagos), 1987:8). See Table II for a summary of persons per room.

### TABLE II

<table>
<thead>
<tr>
<th>House Types</th>
<th>Persons per Housing Units</th>
<th>Persons per Room</th>
</tr>
</thead>
<tbody>
<tr>
<td>T1</td>
<td>5.0</td>
<td>2.5</td>
</tr>
<tr>
<td>T2</td>
<td>7.2</td>
<td>2.4</td>
</tr>
<tr>
<td>T3</td>
<td>7.3</td>
<td>2.4</td>
</tr>
<tr>
<td>T4</td>
<td>6.9</td>
<td>2.3</td>
</tr>
<tr>
<td>T5</td>
<td>6.4</td>
<td>1.6</td>
</tr>
<tr>
<td>T6</td>
<td>7.6</td>
<td>1.9</td>
</tr>
<tr>
<td>T7</td>
<td>6.3</td>
<td>1.57</td>
</tr>
<tr>
<td>T8</td>
<td>9.3</td>
<td>1.86</td>
</tr>
<tr>
<td>T9</td>
<td>6.9</td>
<td>1.15</td>
</tr>
<tr>
<td>T10</td>
<td>5.7</td>
<td>1.8</td>
</tr>
</tbody>
</table>


As Table II shows, there is a decrease in density from T1 to T10.

Other studies by the F.H.A. suggest that the problem of overcrowding in Festac has been brought about by the influx into the
town which has led to the unfortunate development of letting and subletting of apartments. Most boys' quarters were being occupied by individuals who had no blood relationship to the owner occupier.

On the social perspective, however, life in Festac does reflect a unique communal setting in such a large metropolis as Lagos. The communal life of the people of Festac is mostly organized around the various communities, the street, close or block associations. Although it was learned that the Resident Association for the whole town was non-functional at the time of this study, residents of each block, close or street organize themselves into Associations, each with a Chairperson and a Secretary. Meetings are held regularly to discuss issues relating to their welfare particularly those affecting sanitation and security of their blocks, closes and houses. Another unique aspect of Festac is that the community consists of high, medium and low density residential areas representative of different income groups living in harmony, in comparison to other parts of Lagos.

Spatial Residential Pattern

The spatial residential distribution and pattern of the migrants' residences in the urban areas of the Nigerian cities can be rationalized on socio-economic grounds. Both the desires of the migrants to live in certain specific sections of the city and the capacity in terms of the migrants' disposable median family income provide the variables for an understanding of the residential locational map of the urban migration (Sule, 1982:15). In metropolitan Lagos and all across Nigeria, a social group is not assigned a space in the city on the basis of their racial or ethnic affiliation. Rather,
residential location in most Nigerian and African cities is a function of a migrant's disposable income or purchasing power. Residential segregation by race that existed in Nigeria and in other African countries prior to their gaining of 'national independence' has diminished or disappeared in many cases, except in South Africa where the repressive and totalitarian racist regime still enforces residential segregation by race.

In Festac, household income varies positively with the standard of house. Allocation of houses in the town was based on income and the ability to pay the required mortgage (A Demographic and Social Study of the Festival Town, F.H.A., Festac (Lagos), 1985:33). According to the Master Plan, the expected composition of income groups within Festac will be 55% (Low), 40% (Middle) and 5% (High). The majority of the low-income group (65%) should be accommodated in low cost blocks of flats and the remaining 35% in row-houses, while the middle-income group is accommodated in semi-detached houses at 35% in blocks of flats and the remaining 15% in medium cost row houses. For the majority of the high income group there is provision of luxurious apartments in blocks of flats and for the remaining 40%, in high cost detached houses (DOX-NIG-A75:47, Lagos). The present phase of Festac still reflects this composition of different income groups.

According to current F.H.A. documents, there are ten (10) house types in Festac which could be grouped into three categories of Low, Medium and High incomes. A new area in Community III has variety of house types because most of the houses within the area are designed and built by owners. Each design is unique but one thing that is clear is
that the houses belong to the high income group. In fact they rank
equal to or superior to the Federal Housing Authority's T10 which is
the highest of the high income houses built by the Authority (A
Demographic and Social Study of the Festival Town, F.H.A., Festac
(Lagos), 1985:19).

The following are the descriptions of various house types:

(1) Low Income Group:

(i) One-Bedroom Block of Flats, Type 1 (T1) also code
named L1A which has 32 flats in a block.
(ii) Two-Bedroom Block of Flats, Type 2 (T2) or L2A
which has 12 flats of low income type plus 4
special ones of three-bedroom medium income types.
(iii) Two-Bedroom Row Houses, Type 3 (T3) or F1-L2A.

(2) Medium Income Group

(i) Three-Bedroom Flats in a Two-Bedroom Block of
Flats, Type T5 or M3 in L2A and there are 4 of
these per L2A block.
(ii) Two-Bedroom Row Houses Type 4 (T4) or F1-M2A and
Type 3 (T3) or F1-M2B with and without a garage
per the bungalow housing unit.
(iii) Three-Bedroom Block of Flats Type T6, or M3 which
has 8 flats in a block.
(iv) Three-Bedroom Terrace House, Type T7 or H3M3.

(3) High Income Group

(i) Three-Bedroom, Semi-Detached Housing Units of two
stories, coded Type 8 (T8) or H4H3. Each unit is
also provided with a car garage and boys quarters.
(ii) Three-Bedroom, Detached House, Type T9 or BH-3 of
two stories with a garage and boys quarters.
(iii) Five-Bedroom, Detached House, Type T10 or AH-4 of
two stories with a garage and boys quarters.
About 16.75 percent of the total number of houses in Festac are reserved as government (staff) quarters, 73.6 percent are owner occupied, 7.33 percent are rented out by their owners, 1.3 percent claim to be squatters and 1.0 percent are unoccupied (Report on Survey of Festac Town, F.H.A., Festac (Lagos), 1987:11).

Population distribution among these various house-types shows that house type T2 i.e. the two-bedroom flat in a block of 12 low income flats is the single house-type with the largest population. This house-type accommodates 38.08% of the Festac residents. There are 4,164 Units of this house-type which is the single largest of all house-types. This is followed by the T3 type which is the three-bedroom, semi-detached house. It accommodates 15.08% of the total population of the town (A Demographic and Social Study of the Festival Town, F.H.A., Festac (Lagos), 1985:20).

The administration of Festac is the sole responsibility of the Nigerian Federal Housing Authority (F.H.A.). The Authority also builds medium and high income houses in all the local states, except one (Anambra) which has not yet made land available for this purpose. However, Festac is the largest and most monumental estate development so far undertaken by the Authority.

THE ORGANIZATIONAL STRUCTURE OF THE FEDERAL HOUSING AUTHORITY (F.H.A.)

The Federal Housing Authority (F.H.A.) is the body charged with the responsibility for implementing the housing program of the Federal Government as it is clearly stated in Section 3 of Decree 40 of 1973 which sets it up to perform the following functions:
- The preparation and submission from time to time to the Federal Government of proposals for national housing programs;

- the making of recommendations to the Federal Government on such aspects of urban and regional planning, transportation, communications, electric power, sewage and water supply development as may be relevant to the successful execution of housing programs approved by the Federal Government; and

- the execution of such housing programs as may be approved by the Federal Government (F.H.A., Decree of the Federal Housing Authority, Festac (Lagos), 1973:2).

The staff strength of the Authority is 1,146. The organization also operates with five departments namely: Administration, Engineering Services, Finance and Mortgage, Properties and Housing Departments. The Offices of the Secretary/Legal Adviser and Internal Audit are Divisions in the Office of the Chief Executive (See Figure 6 for the Organizational hierarchy). The Authority is responsible for the day-to-day delivery of public services in Festac, except in electric power supply which is the responsibility of a centralized Federal Government Bureaucracy - Nigerian Electricity Power Authority (N.E.P.A.).
Figure 6. Federal Housing Authority (FHA) Organization
Summary

A centralized federal government bureaucracy formulates and implements policies in Festac. Political input by the local residents of Festac is non-existent, i.e., citizen participation in the decision-making process is nil. The town has already exceeded the planned pace of population growth that had been expected.

Except housing units, the existing infrastructures in Festac were designed and implemented mostly by transnational firms: from power and water supplies to sewage and road networks. Chapters III-V provide some of the implications of this policy outcome.
NOTES

1 Some historians also refer to this period as the Nigerian Civil War.

2 See Chapter II for a further discussion of the preliminary field research.


4 It was observed at the time of this study, however, that the number of persons per room is far higher than the official figures given in the survey, especially in the low income block of flats. Most of the hallways are being used as storage facilities because of inadequacy of internal spaces.

5 Boys' quarters are sub-apartments attached to the main housing unit in which affluent residents house their domestic staff, such as house-keeper, security guards, stewards, etc.
CHAPTER II

PLAN OF RESEARCH AND METHODOLOGY

Preliminary field research in Festac was conducted in the Fall of 1986. The main objectives were to determine the feasibility of carrying out a research study in the region with the intent of developing a researchable topic within the context of sectoral services, from housing and sewage disposal to health, education, transportation and water supply. Scarcity of water supply seemed the most troubling for the local residents of Lagos metropolitan region, including the residents of the new town - Festac. In addition, verification of the likelihood for research clearance and cooperation from the F.H.A. for data accessibility were sought. All of these were established during this period.

The author returned in 1988 to conduct the actual study (from May 1988 to September, 1988). While in the Lagos region, the researcher was resident in Festival Town and worked with F.H.A. for the duration of the research, attached to the Planning and Research Division of the Housing Department. According to F.H.A. - Annual Report (1984) the main functions of this Division are Research, Planning and Property Maintenance. The Division also collects statistical information on housing and related subjects to serve as tools for planning and research. Data collection is not restricted to projects handled by the Authority but it extends to housing projects in all parts of the
country and collection of all social information that serve as
indications of housing demand and increase in stock. Apart from trying
to build up a Data Bank or a store of housing information, the Division
is responsible for disseminating such information to individual users.

Previous works in structural analysis have relied on developing a
structural theoretical perspective (Harvey, 1973). Some have utilized
historical analysis (Williams, 1981), while others (Mollenkopf, 1981;
Rich, 1982; Szelenyi, 1983) have analyzed national, state and local
government policies in relation to urban development and public service
expenditure patterns. In a literature search, however, no study was
located that may have examined local service delivery patterns in
relation to clientelism, bureaucratic activities and structural
factors. Because of the paucity of relevant previous research,
therefore, this study has relied on a variety of sources which
included: field research; survey of the local residents; historical
analysis; analyses of Nigerian Federal Government documents and F.H.A.
budget records and Annual Reports (1977-1987); and extensive interviews
of bureaucratic (F.H.A.) officials, technical personnel, and workers.
In other words, the core of the analysis on water service delivery
patterns in Festac is based upon primary and secondary data. The
painstaking efforts that detailed a carefully planned urban community
has failed to create a regularly functioning water delivery system.
The question then becomes: Where does the problem lie.

Research Questions

The following research questions guide this study:
(Res. Q #1) To what extent do clientelist relations (patron-client model/ethnic linkages) affect water service delivery?

(Res. Q #2) What role does the service providing bureaucracy (F.H.A.) play in determining water service delivery patterns?

(Res. Q #3) How much of the blame for the prevailing water scarcity must the F.H.A. bear?

(Res. Q #4) Does the internal water supply policy of the organization (F.H.A.) respond to any external factors?

(Res. Q #5) How much is the water service delivery pattern influenced by internal and external structures of the organization (F.H.A.)?

(Res. Q #6) Is there any one major factor that determines regularity or non-regularity of water service delivery in Festival Town?

(Res. Q #7) What constraints regularity in water service delivery?

(Res. Q #8) What factors determine the level of standpipe distribution to individual households?

SURVEY METHODOLOGY

The purpose of the local survey of residents was mainly to capture and validate Res. Q #1. It also served to cross check some of the interview responses that were derived from the bureaucratic
(F.H.A.) officials. Some of the interviews were also tape recorded. The extensive interviews of the bureaucratic officials, technical personnel and the workers captured the remainder of the research questions (Res. Q #2 through Res. Q #8). Historical analysis and the analyses of budget records and Annual Reports served to further qualify their research significance. In addition, these analyses made it possible for the study to develop in an historical context, the economic and political foundations of urban development and local public service delivery in the larger context of Nigerian political economy.

Sampling Techniques

In conducting the local survey, a stratified sampling technique was utilized in selecting subjects from the community of Festival Town for interviewing. Stratification was done on the basis of neighborhood affiliation. This was made possible by the aerial map of the region (See Appendix ). Three strata were created:

(a) Neighborhood I
(b) Neighborhood II
(c) Neighborhood III

These were further stratified into housing blocks, i.e. each neighborhood being stratified into four blocks:

(a) Neighborhood I = Blocks (BLK), (IA), (IB), (IC), (ID)
(b) Neighborhood II = BLK (IIA), (IIB), (IIC), (IID)
(c) Neighborhood III = BLK (IIIA), (IIIB), (IIIIC), (IIID)

This sampling technique was necessary in order to ensure that all the single family and multiple family dwelling units had equal chances
of being included in the sample frame, as well as providing for the inclusion of all sections of Festival Town. A total number of 12 housing block units were created, and 12 housing units were randomly selected in each block, giving a total of 144 housing units. Out of the total number of housing units, 50 households were picked (with equal probability) for interviewing. See Appendix for a sample of the interview questionnaire. The survey of local residents was carried out in the evenings and weekends.

In addition, after spending some time in the organization (F.H.A.), it became apparent that adequate secondary data were available to provide significant analysis for the research study. However, each technique provided some kind of validity check on the other. The response rate was high. In addition, however, where a subject may not have been home at the scheduled time of the interview, his/her spouse or neighbor was interviewed. Given the high population density of most parts of Festac, residents were always around. In this way, a 100 percent response rate was made possible.

Furthermore, the interview of bureaucratic officials was carried out during office hours in their respective offices. This was limited to those officials in the departments that directly or indirectly effected policy outcomes of water supply and water related services. The F.H.A. official in the Planning and Research Division of the Housing Department, with whom the author worked was very helpful in identifying these departments. The most important of these departments is the Engineering Services Department. According to F.H.A. documents (Annual Report, 1987), this department functions under (3) main
divisions: Electrical Engineering Division, Civil Engineering Division and Mechanical Engineering Division. Its main functions can be generally summarized as follows:

1. Design, preparation of tender documents, supervision, testing and commissioning of electrical, civil and mechanical engineering infrastructures.

2. Environment sanitation and maintenance of civil works. These include refuse disposal, public health scheme, maintenance of sewer lines, etc;

3. Maintenance of Mechanical Services. This includes maintenance activities on Water Works, Sewage Pumping Stations and Treatment Plant, etc.

4. Maintenance of electrical services - generators, street lights, etc.

5. Preparation of Progress reports of all projects undertaken in the year.

Other departments that provided interview responses include the housing and the Finance and Mortgage Departments. One of its (Finance and Mortgage) main functions is to compile the yearly summary of F.H.A.'s transactions, highlighting the annual financial statements.

A significant amount of time was spent with the Water Works Division of the Mechanical Services, which occupies a very large land area away from the organization's Head Office. This is where the actual production of water supply takes place, and from this location also, water is discharged into the city of Festac. "Discharge" was the
common term used among the technical personnel of the Water Works in
discussing or explaining the delivery of water supply.

Unforeseen Difficulties and Modifications to Research Approach

The initial negative reactions regarding personal interviews was
experienced among the technicians and workers at the Water Works
Division of the F.H.A. Questions and concerns were raised by these
workers with regard to the identity of the researcher, which ranged
from being a local news reporter to a C.I.A. agent. Some of the
workers at the Water Works unit claimed that most recently, they had
granted an interview to a news reporter who later had an article
published in the media, and as it turned out, the article in their view
reflected negativities about the unit, and as such was very damaging.
This was, however, later resolved. Some of the workers on the other
hand were very eager and willing to grant interviews. On one occasion,
one of the workers had requested a meeting outside of the work place
for interviewing.

Generally, among the lower-level workers, the interview approach
was more or less unstructured. Issues which were never anticipated
were raised by these workers. Accordingly, follow-up questions were
posed based on the resulting communications with the workers and the
responses that were being generated during the interview sessions.

On the other hand, the top level F.H.A. officials were very warm
and receptive, and willingly granted interviews without reservations.
They provided the researcher with extensive tours to several of their
project sites. Given the nature of F.H.A.'s development activities,
the organization predominantly operates in its implementation phases with professional engineers (especially mechanical and civil), architects and planners. These individuals were invaluable in providing needed information and data accessibility for the research.

The majority of the interviewees requested anonymity. Therefore, only the date and place of interview will be given in this document. The local residents were very co-operative and vocal regarding the service problems that they face. Among some of these residents, the interviewing process, again, became partly unstructured, developing more questions as communication went along. An interesting phenomenon was the fact that the majority of the F.H.A. employees, especially the college educated and those in high positions within the organization reside in the staff quarters which are located inside of Festac. Thus, some of these individuals were interviewed as local residents.

A few modifications were made in the interview questionnaire for the local residents as issues were being raised which had not been previously anticipated. These additional changes, however, did not in any way alter the objective outcome of the study.

SUMMARY

The intent of this study is to understand and explain the underlying factors that constrain water supply in Festac. Is the service-providing bureaucracy (F.H.A.) at fault? Does the patron-client model explain water delivery patterns in Festac? Does the problem stem from urban development patterns within this context?
To reiterate, primary and secondary data have been utilized in this study. Primary data addressed the question of patron-client model of association (ethnic linkages) and water supply, and standpipe distribution in Festac. It also provided information on the organization structure and the fiscal policies of the F.H.A., and how these impact upon water service delivery outcome. The secondary data on the other hand, addressed the question of structural relationships within and outside the organization and the impact on water service outcome. During the time of the field research and data generation, several new factors began to unfold as the research went along, and from the interview responses unanticipated variables were being raised. Examples were: the fiscal questions, low water production capacity, frequent breakdowns of water delivery system, lack of spare parts, devaluation of local currency and its low purchasing power on the global market, increase in privatization of public services and debt servicing.

Given these developments, it became imperative that this study developed an additional element which is drawn from literature on the broader impact of structural dependence and resource allocation in the Third World. The central focus of this literature is that in infrastructural and technological terms, the Third World countries are heavily dependent on external sources, and in turn affect the development patterns within these countries. The literature also suggests that public service delivery system is intertwined with economic growth and underdevelopment. Thus domestic public service policies of these countries and investment patterns will be highly
affected by available government revenues which are in turn dependent on exogenous factors, such as, foreign loans and credits, exports and world commodity prices, and the 'goodwill' of foreign investors.

The document has been arranged in such a way in which the first part of Chapter III addresses specifically the problem of water supply in Festac and the underlying factors for the short fall of water service delivery, while the remaining last two sections of the chapter extends the analysis beyond Festac to include other parts of the country. This is required in order to reach a conclusive evidence in determining the underlying factors that constrain water service delivery. The gender variable is added to the analysis with intent of verifying public service policy and its impact on the gender issue. Chapter IV broadens the analysis (because of the interview responses that were generated), in order to examine the question of accessibility to services that was raised from the preceding chapter. The remaining part of Chapter IV examines further impact of the bureaucracy if any, on service delivery outcome and its relationship with the Nigerian federal government. Because of the questions that the research has generated, analysis is further examined in a broader context of the global dynamics (Ch. V), still with intent of identifying the central among the factors that constrain water supply and as well shape service delivery patterns, while providing a comparative analysis. Chapter VI provides a theoretical argument and conclusion as to the problem of urban public services in a developing economy.
CHAPTER III

INTERPRETATION OF DATA AND ANALYSIS
OF RESEARCH FINDINGS

This chapter seeks to examine the production and delivery systems of water supply in Festac. Some interviews with F.H.A. officials and the workers are brought to focus as evidence of inherent limitations that compound upon the water delivery system. The determining factors for standpipe distribution are also discussed.

This chapter also seeks to understand the central factors that constrain water service delivery in Festac. It examines the extent to which clientelism, bureaucratic decision rules and structural factors explain water service delivery pattern in Festac. Additional surveys are extended beyond the narrow confines of Festac, to include three other local regions in Nigeria. This attempt is to further provide a better understanding of ethnic and economic relations and service delivery patterns in Nigerian society. It analyzes as well, the conceptual relations among service (water) delivery, ethnicity, income inequality and gender relations.
WATER SUPPLY IN FESTIVAL TOWN: THE PRODUCTION AND DELIVERY SYSTEMS

An extended period of time was spent at the Water Works Division of F.H.A. Analysis is based upon the division's records and annual reports; and extensive interviews with laboratory technicians, control room operators, mechanical and civil engineers and local residents. Some of the interviews will be reproduced in this section verbatim.

According to the Master Plan (DOX-NIG-A, 1975), the water quantities required to satisfy the needs of Festival Town, should be supplied from a water tower, to be located approximately at the center of the water consuming areas. A storage reservoir and a pumping station should be provided on the ground nearby the water tower. The capacity of the water tower and the storage reservoir is estimated to be of the order of 10,000 cu.m.

The main water distribution network starts from the water tower and its pipes, running along the main roads, form closed loops. The main loops are further subdivided into secondary and tertiary loops serving all the plots within the area of development. The water tower is constructed with such a height as to ensure the required pressure at the highest building and meet the peak hourly water demand of the whole area under consideration. The issue of water supply in Festival Town (A Demographic and Social Study of Festival Town, 1985) has been a sensitive one and it has generated a lot of controversy. The Town was meant to receive its water supply from the Ishasi Water Works which was constructed mainly for that purpose. Ishasi Water Works was financed by the Federal Government, but was built by F.H.A. The Water Works,
after completion, was handed over to the Lagos State Government which has statutory responsibility for production and delivery of portable water in the State. A 3,000 M³ water tower reservoir at an elevation of 30 M was erected within the Festival Town to provide necessary pressure for distribution.

However, supply from Ishasi Water Works ceased to flow in the Festival Town sometime in 1979 and it remained inoperative until 1984 because of what some top F.H.A. officials described as conflict in party politics. As more housing development like the Satellite Town took place around Festac and with diversion to other problem areas by the Lagos state government coupled with political considerations the amount of water supply to Festac became grossly inadequate (Report on Survey of Festac, F.H.A., Festac, Lagos, 1987:40). However, other independent accounts (personal interview) suggest that group politics at the highest level of government contributed considerably to the cut-off of water supply from Ishasi Water Works.

During that period (of cut off of supply from Ishasi Water Works) most people fetched water from outside the Festival Town. According to official documents Water tanks littered all open spaces while a lot of people dug wells in their yards. Although F.H.A. forbids the indiscriminate sinking of wells without the Authority's approval so as to prevent soil structural failures, very few people sought approval and the result was a proliferation of wells everywhere. It was in fact difficult to control the situation since an alternative arrangement could not be made immediately. A supplementary water works which was meant to supply water in addition to that from the Lagos State Water
Board was completed in 1982. It eventually became the main source as no supplies came from Ishasi Water Works of the Lagos State Water Board (Federal Housing Authority, A Demographic and Social Study of the Festival Town, Lagos, 1985:36). According to a published interview in the Lagos Business Vanguard with the F.H.A. Military Administrator, Col. A.A. Kama, he observed:

The Authority resorted to water rationing because the Lagos state government water supply to the estate has not been forthcoming. We are pumping less than required, so we have to ration (Vanguard, Lagos, May 29, 1988:11).

The F.H.A. awarded a contract for the construction of the supplementary water works in Festival Town at a cost of N2,890,629.10 in order to minimize the suffering of the residents and to avoid a possible epidemic. According to F.H.A. officials, the supplementary water works has a maximum planned capacity of 10,560 cubic meters of water per day - i.e. 10.47 million litres per day or 2.1 million gallons/day. This is capable of providing 30 gallons of water a day per person to a population of 75,000 people or 20 gallons a day per person to a population of 100,000 people. The current population estimate of Festival Town stands at about 100,000. The supplementary water works is made up of the following essential units: six boreholes with pumps each capable of 91 cubic meters/hour yield; combined (iron removal) carbonation filters and appurtenances with back wash units including pump and blowers; two cascade aerators; three high lift pumps each with a discharge capacity of 21 cubic meters/hour; clear water tank of 390 cubic meter capacity; 375 KVA generating set; chlorination equipment; quality control laboratory; and control room/instrumentation (Report on Survey of Festac, F.H.A., Festac, Lagos, 1987:40).
According to F.H.A. documents (A Demographic and Social Study of Festival Town, 1985), in a number of areas, because of low pressure only the first floor of the block of flats (five-story apartments) get water inside the apartment. This is why in housing units T1, T2 and T5 which are in blocks of flats only 21 percent, 32.26 percent and 26 percent respectively, get the pipe borne water inside their houses. Majority of the residents, i.e. 75 percent, 57.6 percent and 76.6 percent respectively, get their pipe water outside (Table III).

Well water is still a major source of water supply; 73 percent of housing units in the T1 category still get additional water supply from wells while among T7 houses, 74 percent get some water from wells. For T10 houses, 39 percent have wells in their yards (Table IV). However, at the time of this research study, production and output figures are far more dismal than the figures being shown in F.H.A. documents. Upon close examination and extensive interviews with water works technicians, the estimated water demand is 5 million gallons daily. In previous years the Ishasi Water Works may extend service to Festival Town only occasionally, therefore, there has been a move for the F.H.A. Water Works to be self-sufficient and provide enough water supply for the local residents of Festival Town. But this goal has not been realized. The water production capacity stands at about 700,000 gallons of water per a twelve hour period and it takes six hours to pump processed water into the water tower reservoir which has a planned capacity of 2.1 million gallons. This is aided by high lift pumps. After pumping water into the reservoir it is then discharged into the city of Festival Town by unlocking the valve at the base of the
### TABLE III

DISTRIBUTION OF HOUSING UNIT BY AVAILABILITY OF WATER SUPPLY

<table>
<thead>
<tr>
<th></th>
<th>No of Housing Unit</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>T3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pipe Water Inside Housing Unit</td>
<td>298</td>
<td>21%</td>
</tr>
<tr>
<td>Pipe Water Outside Housing Unit</td>
<td>1055</td>
<td>75%</td>
</tr>
<tr>
<td>No Pipe Water At All</td>
<td>42</td>
<td>3%</td>
</tr>
<tr>
<td>Well Water Within Compound</td>
<td>1023</td>
<td>73.0%</td>
</tr>
<tr>
<td>Others: Supply of Water Tanks</td>
<td>106</td>
<td>7.5%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>No of Housing Unit</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>T2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pipe Water Inside Housing Unit</td>
<td>1057</td>
<td>32.26%</td>
</tr>
<tr>
<td>Pipe Water Outside Housing Unit</td>
<td>1888</td>
<td>57.6%</td>
</tr>
<tr>
<td>No Pipe Water At All</td>
<td>207</td>
<td>6.3%</td>
</tr>
<tr>
<td>Well Water Within Compound</td>
<td>472</td>
<td>14.4%</td>
</tr>
<tr>
<td>Others: Supply of Water Tanks</td>
<td>330</td>
<td>10.07%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>No of Housing Unit</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>T5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pipe Water Inside Housing Unit</td>
<td>284</td>
<td>26%</td>
</tr>
<tr>
<td>Pipe Water Outside Housing Unit</td>
<td>837</td>
<td>76.6%</td>
</tr>
<tr>
<td>No Piped Water At All</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Well Water Within Compound</td>
<td>347</td>
<td>31.7</td>
</tr>
<tr>
<td>Others: Supply of Water Tanks</td>
<td>237</td>
<td>21.7</td>
</tr>
</tbody>
</table>

Source: A Demographic and Social Study of the Festival Town, F.H.A., Festac (Lagos), 1985.
### TABLE IV

**DISTRIBUTION OF HOUSING UNIT BY AVAILABILITY OF ALTERNATIVE SOURCES OF WATER SUPPLY**

<table>
<thead>
<tr>
<th>Housing Unit</th>
<th>No of</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Well Water Within Compound</td>
<td>T3</td>
<td>105</td>
</tr>
<tr>
<td>Others: Supply of Water Tanks</td>
<td></td>
<td>210</td>
</tr>
<tr>
<td>Well Water Within Compound</td>
<td>T4</td>
<td>227</td>
</tr>
<tr>
<td>Others: Supply of Water Tanks</td>
<td></td>
<td>252</td>
</tr>
<tr>
<td>Well Water Within Compound</td>
<td>T6</td>
<td>130</td>
</tr>
<tr>
<td>Others: Supply of Water Tanks</td>
<td></td>
<td>218</td>
</tr>
<tr>
<td>Well Water Within Compound</td>
<td>T7</td>
<td>285</td>
</tr>
<tr>
<td>Others: Supply of Water Tanks</td>
<td></td>
<td>235</td>
</tr>
<tr>
<td>Well Water Within Compound</td>
<td>T8</td>
<td>203</td>
</tr>
<tr>
<td>Others: Supply of Water Tanks</td>
<td></td>
<td>1034</td>
</tr>
<tr>
<td>Well Water Within Compound</td>
<td>T9</td>
<td>90</td>
</tr>
<tr>
<td>Others: Supply of Water Tanks</td>
<td></td>
<td>361</td>
</tr>
<tr>
<td>Well Water Within Compound</td>
<td>T10</td>
<td>26</td>
</tr>
<tr>
<td>Others: Supply of Water Tanks</td>
<td></td>
<td>52</td>
</tr>
</tbody>
</table>

Source: A Demographic and Social Study of the Festival Town, F.H.A., Festac (Lagos), 1985.
reservoir. It takes about one-and-a-half hours to discharge the water from the reservoir. Water is discharged into the city twice a day - 6 AM and 6 PM respectively. Most areas are denied water service because of low production capacity, low volume and low water pressure. The residential areas that are closest to the water work's location have better chances of receiving water service than other areas that are further away from this location (Personal Interview, Water Works Division, Festac, June 6, 1988).

When asked why water delivery to local residents is twice a day, F.H.A. Water Works responded:

We cannot afford otherwise. We have six bore holes and we are not even producing at full capacity. Only about three bore holes are in good working condition. Production is very low that sometimes we are producing at below 35 percent capacity, and therefore, we cannot afford to deliver more water supply beyond the level that we are delivering at the moment. There is not enough water pressure to make delivery possible for every household. Vacuums are created along pipe lines after each discharge, but if we were able to discharge water to the residents, say, four to six times within a 24-hour period (instead of twice), then vacuums would not occur, and this in turn will increase the water pressure along the pipe lines thereby making it possible for water delivery to every household. Even if not regularly, but at least one of the several times-based upon 4 to 6 times of discharge/day (Festac, June 6, 1988).

These technicians were further asked what it would take in order to provide adequate water supply on a regular basis to the local residents of Festival Town?

If we must provide water on a regular basis for the residents, then we need some more bore holes, but we don't have money to construct more bore holes. We cannot even afford the six bore holes that we have now because of breakdowns, and lack of spare parts for their maintenance. More than six bore holes will allow us continuous production of water and constant refills of the reservoir, so that after each discharge, water can very quickly be pumped back up into the reservoir [rather than waiting almost half a day to produce and then refill the reservoir (Festac, June 6, 1988).]
The technicians pointed to other factors that impede water supply production and distribution in Festival Town, such as: power failures. The subsequent blackouts and the problem of power supply from the National Electric Power Authority (N.E.P.A.) have contributed to the damage to the water bore holes and the subsequent breakdown of bore hole pumps. Blackouts halt production. The Federal Housing Authority has in turn responded by purchasing a standby electric generator to supplement power. Nevertheless, it has faced problems of occasional breakdowns. All of these exacerbate the problem of production. Subsequently decreasing the volume of water produced - thereby giving rise to low-water pressure and non-regularity of water supply. In the 1985 Annual Report (F.H.A.) the following remarks were observed regarding the Water Works:

The average percentage plant output in the year was only 31.5. This was so because only three of the six bore holes functioned in the year. The bore holes are yet to be commissioned while there are no parts to make one functional. The average monthly water supply to Festac is 33.4 million gallons. The F.H.A. produced a monthly average of 17.6 million gallons while supply from Ishasi stood at 15.8 million gallons monthly average. Four aeration towers and one chlorine dosing pump are yet to be repaired. Borehole pumping equipment is also needed for maintenance of the bore holes (F.H.A., Annual Report, Festac, Lagos, 1985:24).

Table V provides information on combined productions and output of F.H.A. water works and that of Ishasi for the year 1985.

Another contributing problem to non-regularity of water supply is what one of the top engineering officials referred to as "Maintenance Culture." This problem emanates from the initial construction design by the building engineers of the production system. Normally, when such complex production systems are set up, the engineering contractors
<table>
<thead>
<tr>
<th>MONTH</th>
<th>PRODUCTION BY FHA</th>
<th>SUPPLY FROM ISHASI</th>
<th>MONTHLY TOTAL</th>
<th>PERCENTAGE BY FHA</th>
<th>PERCENTAGE BY ISHASI</th>
<th>PERCENTAGE PLANT OUTPUT</th>
</tr>
</thead>
<tbody>
<tr>
<td>JANUARY</td>
<td>18.76 mill.gal.</td>
<td>22.65 mill.gal.</td>
<td>41.41 mill.gal.</td>
<td>45.30</td>
<td>54.70</td>
<td>26.31</td>
</tr>
<tr>
<td>FEBRUARY</td>
<td>15.50 &quot;</td>
<td>25.00 &quot;</td>
<td>40.50 &quot;</td>
<td>38.27</td>
<td>81.78</td>
<td>24.06</td>
</tr>
<tr>
<td>MARCH</td>
<td>16.48 &quot;</td>
<td>30.01 &quot;</td>
<td>46.49 &quot;</td>
<td>35.45</td>
<td>64.55</td>
<td>23.11</td>
</tr>
<tr>
<td>APRIL</td>
<td>21.94 &quot;</td>
<td>22.30 &quot;</td>
<td>44.24 &quot;</td>
<td>49.58</td>
<td>50.42</td>
<td>34.80</td>
</tr>
<tr>
<td>MAY</td>
<td>15.74 &quot;</td>
<td>17.26 &quot;</td>
<td>33 &quot;</td>
<td>47.70</td>
<td>52.30</td>
<td>30.80</td>
</tr>
<tr>
<td>JUNE</td>
<td>30.60 &quot;</td>
<td>15.91 &quot;</td>
<td>46.51 &quot;</td>
<td>65.79</td>
<td>34.21</td>
<td>42.47</td>
</tr>
<tr>
<td>JULY</td>
<td>30.73 &quot;</td>
<td>15.47 &quot;</td>
<td>46.20 &quot;</td>
<td>66.51</td>
<td>33.49</td>
<td>42.67</td>
</tr>
<tr>
<td>AUGUST</td>
<td>21.16 &quot;</td>
<td>7.79 &quot;</td>
<td>28.95 &quot;</td>
<td>73.09</td>
<td>26.91</td>
<td>29.39</td>
</tr>
<tr>
<td>SEPTEMBER</td>
<td>16.93 &quot;</td>
<td>1.72 &quot;</td>
<td>18.65 &quot;</td>
<td>90.76</td>
<td>9.24</td>
<td>26.88</td>
</tr>
<tr>
<td>OCTOBER</td>
<td>23.79 &quot;</td>
<td>NIL &quot;</td>
<td>23.79 &quot;</td>
<td>32.90</td>
<td>NIL</td>
<td>33.03</td>
</tr>
<tr>
<td>NOVEMBER</td>
<td>23.55 &quot;</td>
<td>13.70 &quot;</td>
<td>37.25 &quot;</td>
<td>62.18</td>
<td>37.82</td>
<td>29.59</td>
</tr>
<tr>
<td>DECEMBER</td>
<td>24.79 &quot;</td>
<td>21.06 &quot;</td>
<td>45.85 &quot;</td>
<td>54.65</td>
<td>45.36</td>
<td>33.18</td>
</tr>
</tbody>
</table>

are supposed to develop plans and proposals on how to continue to provide and have access to engineering products in order to operate and maintain the production system so that it will continue to render services on a regular basis. But this hardly occurs. According to this engineering official, there was a time of extreme breakdown of the F.H.A. production system that the water works was operating on one bore hole out of a total of six. It was so bad that it was only when the sewage system became clogged up that the Authority allocated some money for the re-activation of some more bore holes in order to increase production capacity.

The official summed up what he referred to as the problem of Maintenance Culture in the following way:

I want to mention that the economic factors have to be put into consideration. There is the problem of economic strangulation. For example, Festival Town is not the only urban community that needs water supply or other services. There are other areas in Lagos and other parts of the country that need water supply and other public services, and which means that if the Federal Government provides financial resources to meet the service needs of only a particular community, then other areas may suffer financial strangle hold. Therefore, what usually occurs is that the available resources are spread so thin to several areas, such that in the process some areas are left without resources and services (F.H.A., Festac, June 27, 1988).

Despite the shortcoming of water supply, it was observed that the residents pay tenement rate (taxes for services provided which includes water). According to an official, this is reflected in the monthly rent, and perhaps many may not even be aware that they are being charged for services which are not being provided for (Appendix).

Below are two distinct interviews which are reproduced verbatim. One of the interviewees is an F.H.A. top official, while the other is a
casual (temporary) worker at the Water Works Division. The following is an interview with the top official:

**Interviewer**

(I) How do you determine the water service level, i.e., the on-and-off again occurrence of water supply?

**Respondent**

(R) The volume of water available determines water service level, and water pressure determines the on-and-off again occurrence of water supply.

(I) How do you determine the distribution of standpipes around Festival Town?

(R) These are installed based upon affordability.

(I) Can you elaborate on this Point?

(R) You see, when Festac was initially built, it was envisaged that there would be enough water supply in each and every individual household, therefore, the Authority did not construct standpipes outside the housing units. But as water supply became inadequate in Festac, many residents began to set up standpipes outside their housing units.

(I) How do you determine what areas would receive new services, improved services or denial of services?

(R) The F.H.A.'s policy is that no area should be denied services. Unfortunately, we do not have enough water pressure to serve all areas. The closer you live to the water tower the more chances that you will receive water.

(I) Is the water supply policy formulated and implemented internally within the organization?

(R) Yes, internally implemented.

(I) To what extent is the outcome of water service delivery policy influenced by external structures outside the organization (F.H.A.).
(R) The F.H.A. is now a parastatal and as such the Federal Government expects it to be self-sustaining. We have been asked to build houses and sell, thereby realizing profits. In effect we cannot build for the low-income in order not to accrue losses - we can build based on the ability to pay by residents. Even now in Festac, we cannot build for sale in the open market because of shortage of funds. What we do in effect now, is to sell the vacant lots to private developers who in turn build on our own specifications. Now you can see where the organization priorities lie.

(I) Tell me, what are the factors that constrain regularity of water service delivery in Festival Town?

(R) Lack of funds constrain the regularity of water service delivery in Festival Town.

(I) Are there neighborhood associations in Festival Town that influence water service delivery outcome?

(R) There is the Tenant Association, although not functional at this time. They have complained about lack of services including water supply, but we cannot do anything about it. Therefore, they have stopped complaining (F.H.A., Festac, June 30, 1988).

Below is an interview with a casual (temporary) worker at the F.H.A. Water Works Division. Some of the questions are the same as in the above interview.

(I) How do you determine water service level, i.e. the on-and-off again occurrence of water supply?

(R) Our duty is to turn the water on. We do not know who receives water and who does not. If anyone's water is not running, the person can always come to our water works and fetch water with their water containers, because the taps outside the Water Works run daily.
(I) How do you determine what areas would receive new services, improved services or denial of services?

(R) All areas are supposed to receive services, but at the moment they do not.

(I) Is the water supply policy formulated and implemented internally with the organization (F.H.A.)?

(R) I do not know.

(I) To what extent is the outcome of water service delivery policy influenced by external structures outside the organization (F.H.A.)?

(R) I do not have any idea.

As the interview progressed, he seemed to be losing comprehension of the questions. He was then asked to speak openly of the general problem in water supply and other related services. This was his response:

The big men, the book people na dem get everything: water, electricity and housing, etc. You see, these big men, they get access to all services through connections. Our senior officers at F.H.A. for example, if their water is not running, they can come to our unit and take our water tankers and go and fill up their water tanks at home. But for us low level staff, we pay for everything and it is too much on our chicken salary - things are hard for us, especially when you have family to feed. Even when houses are denied junior staff who have been on waiting list for over three years, but when a senior official or big man applies for housing, guaranteed is made within a shorter period of time. You see, I've been on this job since 1982 (5 years), and nothing has changed for me, they still say I'm a casual worker, no improvement on my salary and no house for me in Festac.

Translation:

The rich men and the university educated individuals have access to all the scarce services: water supply, electricity and housing, etc. You have to understand that these rich men have all sorts of connections, for instance, an F.H.A. senior official, in case that his household unit lacks water supply, he can always make a direct demand to our unit, and we will
have a water tanker at his house immediately in order to fill his water reservoir tanks in his household unit. But for those of us who are merely ordinary workers, services are out of reach. In most cases we have to pay for access to these services. This is costly for those of us with families, and it consumes a good chunk of our meagre salary. In housing for example, we remain on the waiting list for over three years, but the astonishing thing is that when a new senior official is hired at F.H.A. or a rich man shows up for housing, he is guaranteed housing within a very short period of time. I have been a temporary worker for about five years without being made a permanent staff, and as a result, there is neither a salary increase nor housing in Festac for me (Water Works Division, Festac, June 10, 1988).

Water Standpipe Distribution Pattern in Festac

Generally, and throughout the duration of the research, whenever the question of patron-client relation was posed to the officials of the F.H.A., they always dismissed it outright. Similarly, when the same question was posed to the local residents, negative responses were affirmed. However, responses varied with each of the respondent's socio-economic class.

The following is an interview with a local resident of Festac. The interviewee is a mid-level F.H.A. Official (Architect) who also happened to be a resident of Festac.

Interviewer (I) Who would you talk to if you wanted to get a standpipe in front of your house?

Respondent (R) Nobody. I have one outside for myself and it has a padlock on it. All I needed to do was to buy the necessary parts and called a plumber to install it for me. It is cheaper in this way.

(I) Who would you talk to if you wanted to complain about water shortage?

(R) It is not a matter of talking to anyone anymore. I receive water supply every now and then. What I usually do during the supply period is to fill up all the water
containers in my household and store it for domestic use. This usually lasts for me until the next supply.

(I) What would you have done in your old neighborhood to get a standpipe installed?

(R) I would talk to my landlord.

(I) Who would you talk to about water shortage in your old neighborhood?

(R) Usually the landlord, who would in turn (maybe or maybe not) contact the local water works.

(I) Do you belong to any neighborhood association?

(R) Yes. We have an association for our close.

(I) Being an architect for the F.H.A. and a resident of Festac, what would you say is the standpipe distribution pattern in Festac?

(R) First of all, people did not start installing standpipes until the acute shortage of water supply. There was a cut off of water supply to Festac by the Lagos state government, coupled with low water pressure and as a result, individuals began to erect standpipes.

(I) It has been learned that the closer one lives to the F.H.A. Water Works, the more likelihood the individual would receive water supply on a more regular basis. What determined this location pattern i.e., the Water Works and the public standpipes which supply water on a daily basis.

(R) Yes, the public standpipes outside the water works are the only regularly supply water outlet in Festac. The location was based upon the highest altitude relative to other points in Festival Town. In other words, the earth's gravitational pull is very important in this case, because of the increase in the amount of pressure that it would generate (Festac, July 8, 1988).
All houses in the Festival Town are designed with indoor plumbing and water pipes inside the units. Initially, it was expected that there would be sufficient supply of water service inside the housing units. Therefore, installation of standpipes outside the individual housing units was deemed unnecessary by the F.H.A. But a couple of years later (around 1979), when the scarcity of water supply became prevalent in Festival Town, individual households began to erect water standpipes directly outside their housing units. This was necessary because, during the periods of water supply shortages (due to low-pressure), there is more likelihood that the pressure may be just enough to make water delivery possible along the pipe lines outside the housing units. In other words, if an individual household connects a standpipe (a few feet above the ground) that runs perpendicular to the under-ground water pipe lines, then at the periods when water is turned on, there is higher probability that supply would be available along the standpipes. If this is the case, then the individual household would fetch water from the standpipes and in turn, store it in large containers for domestic use.

Through self-help and co-production, the distribution of standpipes have acquired very unique patterns in Festival town. Each of the single family dwelling units provides its own standpipe while the residents in the multiple block of family units (5-story walk-up apartments) organize and through co-production, install their own standpipes. On the average, there are two standpipes per block of flats. According to the local residents, wherever standpipes may be lacking - especially outside the block of flats, then there is every
likelihood that this indicates an absence of co-operation among the residents, or in some cases, they just cannot afford to install standpipes because it entails contribution of money per family unit. In some cases, one may notice standpipes in these block of flats with pad-locks on them. In such cases it may be either individually installed or a few households within the block of flats have contributed towards such an effort. As a result, those residents who have refused to contribute money are excluded from usage (Personal Interview, Festac, July 12, 1988).

F.H.A. officials, when asked why there has not been any policy taken on their part in providing standpipes to the household units, especially the low-income areas of the block of flats, (given that water pressure is always too low to flow inside these units), they responded that policy provides for installation of public standpipes available directly outside the F.H.A. Water Works unit, instead of such a spread distribution of standpipes to the households. Accordingly, for those households who do not have standpipes nor water service, they can always travel to this location and fetch water for their domestic use. It was observed that most people travel to this location to fetch water. For some residents the trip is by foot, and mainly performed by young women and children. Many more transport water in closed containers with their automobiles from the public standpipes. The public standpipes which are installed by the F.H.A. outside the water works unit, are the only ones that have the highest probability (over 95 percent) of regularly providing water. (Personal Interview, Festac, July 1988).
Below is an interview with a local resident of Festac, a housewife and of the low-income group.

(I) Who would you talk to if you wanted to get a standpipe in front of your house?

(R) My neighbors. My husband and I belong to our block association and we always hold meetings concerning such problems. In our own case we contributed some money and hired some workers to construct our standpipe.

(I) Who would you talk to if you wanted to complain about water shortage?

(R) I do not know.

(I) What would you have done in your old neighborhood to get a standpipe installed?

(R) If one lives in a good area, the landlord is supposed to install it, otherwise nothing can be done. Some of us walked around the neighborhood to fetch water wherever supply was available.

(I) Who would you talk to about water shortage in your old neighborhood?

(R) Nobody.

(I) Do you belong to any neighborhood association?

(R) Yes (Festac, July 11, 1988).

The next interviewee is a self-employed, college educated young male and a resident of Festac.

(I) Who would you talk to if you wanted to get a standpipe in front of your house?

(R) I will hire a plumber or bring in my workers to do the installation for me.

(I) Who would you talk to if you wanted to complain about water shortage?

(R) Complain? Nobody would listen to you, so I do not bother to complain.
(I) What did you do to get a standpipe installed in front of your house?

(R) Private labor. I bought all the accessories needed, and my workers did the installation. If you notice in the back yard, I have an overhead five-hundred gallon water tank, and my workers put it together. The only water supply in my house comes from that tank. I have some friends in the water business, so I buy from them. About every two weeks, one of their water tankers comes over to fill up my water tank.

(I) What would you have done in your old neighborhood to get a standpipe installed?

(R) This is my first neighborhood, since moving away from my parents house after college. But my guess is that the landlord should provide for such facility.

(I) Do you belong to any neighborhood association?

(R) I used to but not anymore. I do not have time, because I am too busy - always on the road (Festac, July 12, 1988).

In general, spatial dimension seems to be a determining factor in the respond pattern of the subjects regarding the adequacy of water delivery. That is to say, it was found that the percentage (4.0%) of those surveyed who said that the rate of water supply was adequate lived relatively close to the F.H.A. Water Works. The further away the subjects lived from the Water Works the more vocal and disgruntled they were about lack of water supply because this (distance away) decreased their chances of receiving water supply on an occasional basis. This proportion was further divided in their responses as to the situation of water supply. The problem of water supply was found to be based on the subject's perception or expectation of service delivery outcome.
This perception seemed to vary with the subject's socio-economic status.

Generally, most of the subjects in the low-income groups blamed the Nigerian federal government (the military elite and the previous civilian administration - 1979-83) for the woes of the public service delivery system and the lack of water supply. Still within this same group, some of the subjects did not think that the lack of water supply in Festac was an issue, given the low-level of their expectations.

The housewives were most vocal especially those in the upper-middle income families and fingers were being pointed at F.H.A. for not having done enough to solve the water supply problem. On close examination of some of the households in this group and their source of water supply, it was found that they were self-sufficient, independent of public water supply. Their bitterness seemed to have been derived from the fact that their husbands had spent great amounts of money that could have been used for other family purposes to install water supply networks in their backyards. These were either in the form of wells with pumping, boiling and filtering gadgets for constant supply of water or that water tanks have been erected in the backyards with constant supply from commercial water tanker operators. However, in some cases efforts were made to interview some of the males in this group independent of their wives. It is interesting to note that the blame shifted from F.H.A. to the general economic woes of the country and the structural breakdown of the Nigerian political system.

In terms of how the local residents would go about getting standpipes installed outside of their households, none responded that
he/she would go through or contact an intermediary or a broker for this purpose. Majority of the subjects in the middle- and upper-income groups responded in the utilization of private labor, while most of the low-income group suggested group effort.

In general terms, however, access to water supply and water related services has a high correlation with income and status. Table VI provides a summary on survey responses of local residents on existing public service facilities, while Table VII breaks down the percentage summary of local survey response into socio-class by income group and housetype.

TABLE VI
PERCENTAGE LOCAL SURVEY RESPONSE OF EXISTING SERVICE FACILITIES IN FESTIVAL TOWN

<table>
<thead>
<tr>
<th>Service Facility Types</th>
<th>Adequate</th>
<th>Inadequate</th>
<th>Just Enough</th>
<th>Don't Know</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mass Transit</td>
<td>10.0</td>
<td>80.0</td>
<td>0</td>
<td>10.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Road Networks</td>
<td>90.0</td>
<td>0</td>
<td>10.0</td>
<td>0</td>
<td>100.0</td>
</tr>
<tr>
<td>Refuse Disposal</td>
<td>20.0</td>
<td>70.0</td>
<td>0</td>
<td>10.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Sewage</td>
<td>70.0</td>
<td>16.0</td>
<td>14.0</td>
<td>0</td>
<td>100.0</td>
</tr>
<tr>
<td>Health*</td>
<td>10.0</td>
<td>80.0</td>
<td>0</td>
<td>10.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Education</td>
<td>60.0</td>
<td>30.0</td>
<td>10.0</td>
<td>0</td>
<td>100.0</td>
</tr>
<tr>
<td>Electricity Supply</td>
<td>0.0</td>
<td>96.0</td>
<td>0</td>
<td>4.0</td>
<td>100.0</td>
</tr>
<tr>
<td>Water Supply</td>
<td>4.0</td>
<td>96.0</td>
<td>0</td>
<td>0</td>
<td>100.0</td>
</tr>
<tr>
<td>Standpipes</td>
<td>50.0</td>
<td>40.0</td>
<td>10.0</td>
<td>0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

*Note: There are private health clinics in Festac, but the one public health clinic in town is available only to F.H.A. staff and families.

### TABLE VII

A SUMMARY OF LOCAL SURVEY RESPONSE OF ACCESS TO WATER SERVICE DELIVERY BY INCOME GROUP

<table>
<thead>
<tr>
<th>INCOME GROUP</th>
<th>HOUSE TYPE</th>
<th>NO. OF HOUSEHOLDS</th>
<th>% OF HOUSEHOLDS</th>
<th>ACCESS TO STANDPIPE (%)</th>
<th>ACCESS TO WATER SUPPLY (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>BROKER OR MIDDLE-MAN</td>
<td>GROUP HELP</td>
</tr>
<tr>
<td>LOW INCOME</td>
<td>T1</td>
<td>10</td>
<td>20.0</td>
<td>0</td>
<td>20.0</td>
</tr>
<tr>
<td></td>
<td>T2</td>
<td>8</td>
<td>16.0</td>
<td>0</td>
<td>12.0</td>
</tr>
<tr>
<td></td>
<td>T3</td>
<td>7</td>
<td>14.0</td>
<td>0</td>
<td>10.0</td>
</tr>
<tr>
<td>MEDIUM INCOME</td>
<td>T4</td>
<td>7</td>
<td>14.0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>T5</td>
<td>4</td>
<td>8.0</td>
<td>0</td>
<td>4.0</td>
</tr>
<tr>
<td></td>
<td>T6</td>
<td>5</td>
<td>10.0</td>
<td>0</td>
<td>6.0</td>
</tr>
<tr>
<td></td>
<td>T7</td>
<td>3</td>
<td>6.0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>HIGH INCOME</td>
<td>T8</td>
<td>3</td>
<td>6.0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>T9</td>
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<td>4.0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>T10</td>
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<td>2.0</td>
<td>0</td>
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<tr>
<td>TOTAL</td>
<td></td>
<td>50</td>
<td>100.0</td>
<td>0</td>
<td>52.0</td>
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</table>

ETHNICITY, INCOME INEQUALITY, GENDER AND WATER SUPPLY

To further identify and analyze the fine line between ethnicity and economic relations and public service outcome in the wider Nigerian social context, several surveys were undertaken in other regions of the country. Three regions (Bauchi, Imo and Rivers States) were picked after careful consultation with F.H.A. officials. F.H.A is involved in regional development projects in all the twenty-one local state capitals of the country. Housing estates are being built in these state capital cities to help relieve the housing problems that come about because of internal migration (rural to mid-size cities and city to city). The Authority is also responsible in providing public service infrastructure facilities (roads, sewage and water pipe lines, etc.), but not necessarily delivering the services. For instance, F.H.A. is responsible for laying the underground water pipe lines, and sometimes having them hooked up to the main water works in that city, but according to F.H.A. officials it is not their responsibility to ensure that the residents of the housing estate receive water service or not. In the F.H.A. guidelines on National Housing Program, it states:

The distribution of water within the estate shall be the responsibility of the Federal Housing Authority, but the (local) state shall be responsible for bringing the main supply into the estate or sinking water boreholes (Guide Lines on the Implementation of the National Housing Program of the Federal Military Government, F.H.A., Lagos, 1973:9).

Each of the three regions is predominantly representative of a particular ethnic group. These were Hausa, Ibo and Rivers. Analysis will include survey of local residents, local government officials, planners and engineers and building contractors. It was observed that
at the entrance of each of these housing estates was inscribed: "Middle-and-High-Income Housing Scheme." There was no inscription such as "Hausa", "Ibo", "Rivers" or "Yoruba", etc., Housing Scheme. That is to say, there is no polarization of this particular ethnic group on the one hand and another ethnic group on the other in terms of proscribed residential patterns. As in Festival Town, the demographic distribution of the local population is based upon a family's disposable income. Field observations in Festac suggest that ethnic linkages do not relate to residential patterns. Household income in Festac varies positively with the standard of house. In addition, according to F.H.A. documents allocation of Festival Town houses was based on income and ability to pay the required mortgage (A Demographic and Social Study of the Festival Town, F.H.A., Festac (Lagos), 1985:33). Table VIII breaks down the population of Festac into individual state of origin by age and sex.

Ethnicity in Nigeria as organized within a dependent developing economic system interacts with the dominant economic relations to determine the patterns and variations in local service delivery. A racial or ethnic group (Chang, 1985) cannot be a class in the strictly economic-relational sense of classes. In the Nigerian socio-economy the different ethnic groups do not constitute classes in the strict sense. There is no known economic relation in the "post independent" Nigeria whose workings generate polar types of Hausa on the one hand, and Ibo or Yoruba on the other. Even during the colonial period of British hegemony of Nigeria, the economic relation of colonialism generated the dialectic of the colonized and the colonizer, the
### TABLE VIII

**POPULATION DISTRIBUTION BY AGE AND STATE OF ORIGIN**

<table>
<thead>
<tr>
<th></th>
<th>0-4</th>
<th>5-9</th>
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<th>25-29</th>
<th>30-34</th>
<th>35-39</th>
<th>40-44</th>
<th>45-49</th>
<th>50-54</th>
<th>55-59</th>
<th>60-64</th>
<th>65+</th>
<th>TOTAL</th>
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<tr>
<td>M</td>
<td>344</td>
<td>223</td>
<td>274</td>
<td>314</td>
<td>175</td>
<td>229</td>
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<td>179</td>
<td>225</td>
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<td>177</td>
</tr>
<tr>
<td>F</td>
<td>292</td>
<td>174</td>
<td>224</td>
<td>264</td>
<td>139</td>
<td>200</td>
<td>202</td>
<td>268</td>
<td>98</td>
<td>121</td>
<td>166</td>
<td>215</td>
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<td>TOTAL</td>
<td>636</td>
<td>397</td>
<td>500</td>
<td>578</td>
<td>314</td>
<td>431</td>
<td>433</td>
<td>566</td>
<td>198</td>
<td>252</td>
<td>345</td>
<td>440</td>
<td>447</td>
<td>261</td>
<td>350</td>
</tr>
</tbody>
</table>

**Source:** A Demographic and Social Study of the Festival Town, F.H.A., Festac, (Lagos), 1988.
exploited versus the exploiter, etc., and in effect did not translate
directly into that of Hausa, Ibo or Yoruba.

Below is an interview with a local resident in Imo State, one of
the three surveyed regions. He is a medical doctor by profession (a
senior consultant surgeon of a local hospital in one of the State's
mid-size cities). He spoke at length regarding the problem of water
supply in their city:

The problem of water supply is something people do not
complain about anymore. It has been with us for a long time.
Some areas receive water service periodically, while some areas
are denied services altogether, because provision of water
service infrastructures has not been made available in these
areas ——— But we the doctors have special arrangements with
the local Beer Brewery industry for constant supply of water
for our domestic use. For example, all I need to do is locate
a water tanker (now I have established a permanent contract
with such an individual). Once a week, the driver of the
tanker goes over to the Brewery, fetches water with the tanker
and makes delivery at my house. It is free of charge i.e. it
does not cost me anything. The same arrangement applies to
other doctors (Umuahia, Imo State, August 20, 1988).

When asked why it does not cost him anything to get water from
the brewery, he replied, "Because we, the doctors, are a great asset to
the community."

This response can be interpreted to mean that their social-class
privilege in the society enables doctors to acquire access to this free
water service. The same doctor was asked further about how the Brewery
gets its water:

The Brewery industry is self sufficient when it comes to
water or power supply. It is not dependent on public provision
of water supply. It has established bore holes for water
production and internal distribution for its industrial use.
This method is common today in all parts of the country,
especially among the industries and large establishments. You
see, government production and supply of water is not enough.
It cannot meet all the needs of the people. Therefore,
individuals have acquired alternative means of water provision for their own use (Ibid).

This pattern of water delivery is not an isolated case in the Nigerian social context. It is a common phenomenon. As the government continues to fail in meeting local public service demands, industries that require regular operation provide their own service needs, from water to electric supplies. A further analysis of individualized pattern of access to public services will be provided in Chapter IV.

The next consideration in this section is the interaction of the three relations (ethnicity, income inequality, gender) and water supply, which again shifts the focus of analysis back to Festival Town. Although there are women participants in the state bureaucracies, including of course the F.H.A., Nigeria is a male dominated society. Decision making and urban service policies are formulated and implemented by a hierarchical system of power which is overwhelmingly male. Accordingly, the authority of men over women on the provision side is enormous. In addition, when the water service delivery outcome is one of a dismal breakdown and non-regularity of supply, many households revert to traditional practice of making frequent trips to public water standpipes, and transporting water in containers over distance for domestic use. As the traditional carriers of water, young women and children in effect literally bear the brunt and the responsibility of providing domestic water through this method. The implication here may be, for instance, if and when women are included on an equal basis in decision-making, especially in those areas which directly affect the quality of their lives, a better policy outcome may arise in public service delivery, assuming the gender gap were bridged
or narrowed. The political influence and input from women in the policy-making process are lacking in most sectors of economic and political activities. The issues and concerns of women are not reflected in the public service outcome within the F.H.A. and other service-providing bureaucracies.

This pattern of women's subordination is what some feminist scholars (Glenn, 1985) view as a product of two interacting systems: patriarchy and capitalism. While generally adhering to the Marxist analysis of class exploitation, these scholars diverge by giving equal importance to patriarchy, which, they argue, existed prior to capitalism, though interacting with it as capitalism developed. According to this analysis, the main mechanism by which patriarchy was established and is maintained today is the sexual division of labor. The assignment of certain tasks (usually the more onerous and/or less valued) to women and others (usually the more highly valued) to men, is considered more or less universal. The sexual division of labor takes a particular form due to the separation of production of goods, and then services, from the household. As production was industrialized the household became increasingly privatized, and its functions reduced to consumption, which includes shopping and negotiating for services (Weinbaum and Bridges, 1979; Glenn, 1985) and biological and social reproduction, including child care, cleaning, preparing food and providing emotional support for the breadwinner. As capital took over production (Glenn, 1985), thus households became increasingly dependent on the market for goods and, therefore, on wages to purchase goods and services needed for survival.
Increasingly, because men could be more intensively exploited as workers, while women could benefit capital as full-time consumers and reproducers - a specialization developed whereby women were assigned almost exclusive responsibility for household consumption and reproduction and men were allocated responsibility for publicly organized production. This division of labor contributed to the subordination of women by making them economically dependent on a male wage earner. Simultaneously the domestic code (Welter, 1966; Glenn, 1985) controlled women's behavior by threatening those who deviated from it with the loss of their feminine identity. In this context, women's subordination is viewed as part of a larger framework of economic exploitation (Glenn, 1985), and it is intended as a general analysis that encompasses all women.

It was observed, however, that perhaps there seem to be separate spheres for some women (either in Festival Town or in other parts of the country) whose fathers or husbands occupy high positions in the technical division of labor, and who perhaps may relatively not be affected as much when a breakdown occurs in the public water productive infrastructure and delivery systems, because of the individualized pattern of access to water delivery (See Ch. IV).

SUMMARY

From the foregoing analysis, locally conceived factors and issues have been examined with intent to capture, the extent to which patron-client model of association (Clientelism) and Bureaucratic Decision Rules explain water service delivery patterns in Festac, as well as
examining the underlying factors that constrain water supply. Additional questions are raised as a result, such as the internal allocation of scarce resources by the Nigerian federal government to several regions, and the fiscal capacity of the F.H.A. in service production and delivery.

As supply from Ishasi Water Works ceased to flow in the Festival Town, the amount of water delivery to the local residents of Festac became inadequate. However, the inability for the F.H.A. to sustain a self-sufficient supply of water to the local residents of Festac has raised several questions and issues of the public service productive infrastructures, including: frequent breakdowns and technological problems; and the problems of operational cost and maintenance of existing service infrastructures. It further suggests a very serious structural question of which perhaps is the concrete state of dependency of the production facilities. An understanding of these constraints will therefore lead to an analyses of the external structural factors in Chapter V.

The results of the analysis, however, suggest that water service delivery pattern in Festac is explained by spatial dimension, i.e., the distance relative to the location of F.H.A. Water Works, as well as income inequality.

Clientelism, however, does not well explain service (water) delivery pattern in Festac for the following reasons: the population of Festac has a very high literacy rate, and the dominance of a petty bourgeois class among its population may account for the absence of patron-client relations; and the demographic distribution of the
population of Festac which is primarily based on a family's disposable income may be another factor. Similarly, Bureaucratic Decision Rules do not seem to explain water delivery pattern in Festac. Implementation of service delivery policies in the bureaucracy (F.H.A.) seem to depend largely on the availability of scarce resources. Production and delivery in this region could be slowed or halted at any given time without warning or notice: from housing delivery to water and electric supplies. That is to say, there are no regularized procedures for the delivery of services in Festac.

The next chapter (IV) broadens the analysis in the attempt to further understand the central among the factors that constrain water supply in Festac; service delivery pattern, and the general scarcity of urban public services in the Nigerian social context.
NOTES

1 See p. 135 for the Naira (N) exchange rates.
CHAPTER IV

URBAN PUBLIC SERVICE DELIVERY PATTERN: A REFLECTION OF DOMINANT ECONOMIC RELATIONS IN THE NIGERIAN SOCIAL CONTEXT

The pattern of public service delivery over the years has been one of deterioration in Nigerian Society. The federal government in recent years has increased the commercialization (privatization) of several service-providing bureaucracies, thus resulting in low performance of these organizations in meeting public demands in service delivery.

The retrenchment of urban public services in this context affects the populace, irrespective of gender or social class, though to varying degrees of acuteness. This chapter further provides an analysis of the research findings. Restricted access to service delivery is analyzed. It examines the economic relations in public service productive infrastructures and observes income inequality to be a determinant in water service delivery patterns. The chapter further analyzes the economic and political foundations of the Nigerian bureaucracy, parastatal status and the fiscal base of F.H.A. and the role of the federal State in the internal movement of capital and resource allocation.
INDIVIDUALIZED PATTERN OF ACCESS TO PUBLIC SERVICE DELIVERY IN LAGOS AND FESTAC REGIONS

In a report that was made public in Lagos at the time of this study by the Nigerian Industrial Development Bank (NIDB), went on to state:

... Frequent power fluctuations in voltage affect almost every industrial enterprise in the country. Firms invest in generators to avoid production losses as well as damage to machinery and equipment. A milk processing firm, for example, needed its own generators because voltage surges or gaps in supply could threaten vital equipment (Cited in Punch, Lagos, July 16, 1988:2).

The shortfall in public service delivery is prevalent in all sectors, from transportation and housing to water and electric supplies. For the Nigerian city dwellers, this has become a daily struggle, and for commuters, trips to and from work are nightmares. It has as a result become a common practice for firms and individuals (the well-off) to meet their own service needs, which has created a wide spread of such individual ownership of water production.

The following is an interview with water delivery operators. The water tanker was not a commercial one (i.e. it was not selling to individual households), but was owned by a corporation, Julius Berger, a large multinational with home office in Germany. An engineering construction firm, it specializes in building roads, freeways, bridges, and office buildings and drilling activities.

These delivery operators were located in the Festac area while conducting local surveys. The interview went as follows:

Interviewer [I] Why are you delivering water to these individuals?
Respondents [R] Because they are our workers and they need water but their water is not running.

[I] Do you deliver to all workers?

[R] No. We cannot deliver water to all workers. We can only deliver to senior staff and senior officials. Actually, we do not deliver to all senior staff, therefore, junior staff cannot even think of receiving water. I am a junior staff, and I do not qualify to receive water.

[I] Do you deliver water to only your senior staff and senior officials that live in Festac area?

[R] No. We deliver water to our senior staff and senior officials all over Lagos, because the problem of water shortage is not only experienced in Festac. The problem of water affects Lagos as a whole. You see these people in Festac have underground water pipes, and were supposed to be serviced with pipe born water, but their water is not running.

[I] Why is the pipe born water in this part of Festac not running?

[R] We do not know.

[I] Is Julius Berger the only company that delivers water to its senior staff and senior officials?

[R] No. Many of the companies in Lagos do just what we are doing now -- [i.e. delivering water to senior staff and senior officials.] I can give you a list of such organizations such as: all the major commercial banks in Lagos (e.g. Standard Bank, African Continental Bank, United Bank for African Ltd., etc.) including Central Bank of Nigeria; big private companies; all the Federal Government Ministries and parastatals; and even F.H.A. does the same thing that we are doing now. If you look around here very well, within Festac, you will notice F.H.A. water tankers delivering water to their own senior staff and senior officials.

[I] Who do you exactly refer to as senior staff?

[R] Individuals in the management positions - for example, supervisors and foremen.
[I] Why is it necessary that you have to deliver water to some of your workers?

[R] In order to make them happy.

[I] You mentioned earlier on, that there are underground water pipes in Festac and as such, these households should be receiving pipe borne water, but they are not. How do you explain this?

[R] The business contractors, all they do is just to build in order to make more money and when those in the government award contracts, it is more money for both the business contractors and those that award the contracts. In a way, these people don't really care if what they have constructed or built works or not as long as the profits and pay-offs have been made (Festac, July 15, 1988).

Every part of the country is being subjected to varying degrees of water supply shortages. These problems are covered occasionally in media headlines. Similar problems exist in power supply. Nigeria's electricity corporation frequently (on a daily basis) switches the country into a tunnel of darkness. The National Electricity Power Authority's (N.E.P.A.) promises of an end to the scourge of power failure are as long as they are meaningless. For the general public, which is constantly at the receiving end of the negative effects of its poor services, nothing has changed over the years. The fact of the matter is that it has become progressively worse (Newswatch, Lagos, May 30, 1988:14).

As a result of the shortages of power and water supplies, an alternative response is a set of fragmented organization and individual practices in making available their service needs where the government has failed repeatedly or has been unable to meet public service demands. These organizations or industries embark on a unilateral
production and delivery of water and power supplies (among other public services) for regular industrial operation and for delivery to their senior employees. For instance, in power supply, most of these organizations would furnish the residences of their senior officials and chief executives with a stand-by electric generator. It is usually hooked up to an automatic pilot of the main power supply line from N.E.P.A. That is to say, at the times of blackouts from the main power line, the stand-by generator would automatically switch on - thereby avoiding any interruption of electric supply to this privileged group. For other senior officials who are not furnished with such individualized services, they can of course easily provide one of their own stand-by electric generators - given their disposable incomes.

In water supply, however, the individualized approach to providing water service, takes on a different pattern. In some cases, it may take the pattern of individual ownership of water productive infrastructures (Boreholes), but in most cases, organizations have resorted to water production for internal use and delivery to individual employees. The actual mode of delivery in this instance is not by underground pipe, but through the transportation of water in huge water tankers to the employees' residences. These employees would in turn, make available, elevated water storage tanks in their backyards in which the weekly water deliveries would be stored for domestic use. The elevation of the storage tanks makes possible the gravitational flow of water along the main plumbing units of the individual households, when supplies are cut-off from the major waterworks.
A World Bank Development Report that was put out in Lagos recently by its representative, Tarig Hussain, identified what was referred to as Nigerian manufacturer's problems:

The key problems facing Nigerian manufacturers have been identified as frequent interruptions of publicly provided services such as water, electricity, telecommunications, transport, waste disposal, among others. These services, when available, are often of poor quality. As a result, Nigerian manufacturers make capital investments in services such as electricity and water for themselves. An example is how one large textile manufacturing enterprise estimated the depreciated capital value of its electricity supply investment as two thousand naira per worker. If such amount was extrapolated to all 6,000 Nigerian manufacturing firms, amount so arrived at, could pay for capital equipment and distribution for the entire country (Cited in Punch, Lagos, July 16, 1988:2).

For the well-off local residents, the sinking of water boreholes has become a common practice. This way water production and delivery are within an individual's household backyard, and thus would be less reliant on the public service delivery. It was learned that the cost of such personalized water production can be astronomical. While in the Lagos region a local business contractor was located for an interview regarding the costs and processes involved in drilling (sinking) water boreholes for firms and individual households. The interview went as follows:

**Interviewer**  (I)  In what type of business are you exactly involved?

**Respondent**  (R)  I am basically into building and construction, but you see, our economy fluctuates, therefore, whenever construction is low I usually switch to import-export business.

(I)  Can you comment more on the import-export, i.e. what type of materials do you import?
Whatever is in demand in Nigeria, but not available in the country, I will import. For example, import from simple automobile spare parts and construction equipment to electric generators for commercial and household use.

Are you familiar with the drilling or sinking of water boreholes?

Yes.

Have you constructed boreholes for any of your clients in the past?

No, but I have in the past sub-contracted in that area. For example, supplying needed products or acting as a go between in locating the contractor for would-be clients.

What does it cost to sink a water borehole and construct it in its full working capacity.

There is no particular fixed price for construction of boreholes. The amount depends on a number of factors. Generally, it costs between forty-thousand and one hundred thousand naira for the sinking of one borehole. The cost usually depends on such factors as:

1. Location, i.e. how far is the place from the nearest urban center, because it would cost the construction firm more money to mobilize its workers for a job away from the city.

2. Soil type: hard, soft, rocky or ordinary soil – the harder the soil type, the higher the cost.

3. The depth to the nearest naturally occurring and drinkable water from the ground surface. The greater the depth, the higher the cost.

4. The purification process required to render the water hygienic enough for consumption. With some of the water one has to de-ionize minerals like zinc, aluminum, iron, etc. Depending on the
number of minerals present, the cost will vary (Lagos, September 1, 1988).

A STRUCTURAL PERSPECTIVE ON THE NIGERIAN BUREAUCRACY AND THE ROLE OF THE FEDERAL STATE

The short fall of the state bureaucracy in the Nigerian federal governmental system is the focus of this section. The frequent attacks on mismanagement and inefficiency of post colonial governmental bureaucracy are perhaps less significant if we consider in broader perspective, the institutional structure and the functions of the State. The reasons for this perhaps relate to the limited extent, power and configuration of the environment within which the bureaucracy functions, compared to the enormous power of the federal state. The issue may then become: does the State power reflect and promote particular economic interests?

Scholars of African political economy suggest that the nature of the State is to be derived from the configuration of classes. Others (Leys, 1976) have also suggested that for most of post colonial Africa, the dominant class is the foreign bourgeoisie (Ohiorhenuan, 1984) represented by multinational capital and therefore, that the key question is whether or not the State serves the interest of that bourgeoisie. The social composition and organizational structures in Nigeria have changed since political independence in 1960. The commercial and business sectors have expanded, and the creation by the State transformation in recent years of public service bureaucracies into commercial corporations and parastatals has drastically effected service delivery outcomes.
Different observers (Bienen, 1983), examining the social, economic and political developments of post colonial Nigeria have concluded that state capitalism is proceeding in Nigeria or that Nigeria is becoming a private capitalist dominated State; that Nigeria is becoming a socialist State rarely has been argued. The general validity (Ohiorhenuan, 1984) of the autonomy of the post colonial State is doubtful. An early stimulus to the intensification of the capitalist development has been in any case, the upsurge of oil prices in 1973, and again in 1979. The source of capital and technology, level of productive infrastructures within the bureaucracy, nature of service production as domestic or foreign controlled, the struggles over resources and financial terms of service provision, all shape the kinds of urban service demands made by local residents, and the response to demands. Even with massive oil revenues, Nigeria remains an economic dependent nation in technological and infrastructural terms.

Substantial evidence (Bienen, 1983) suggests that oil provides the opportunity in Nigeria for the State (military or civilian regime) to gain control over the economy and try to establish new growth patterns. In general terms, Braverman (1974) contends:

The use of the power of the State to foster the development of capitalism is not a new phenomenon peculiar to the monopoly stage of the past hundred years. In the most elementary sense, the State is guarantor of the conditions, the social relations, and the protector of the ever more unequal distribution of property within the system. But in a further sense State power has everywhere been used to enrich the capitalist class, and by groups or individuals to enrich themselves. The powers of the State having to go with taxation, the regulation of foreign trade, public lands, commerce and transportation, the maintenance of armed forces, and the discharge of the functions of public administration have served as an engine to siphon
wealth into the hands of special groups, by both legal and illegal means.

One of the points that contemporary Marxist analysts (Fainstein and Fainstein, 1980) argue vehemently regarding the State as public service provider is that massive State bureaucracies arise in response to capitalist needs for nominally depoliticized structures to administer the common interests of the class as a whole. These analysts further suggest that the State provides social benefits only as they are necessary for capitalist legitimation. When government acts in the public interest, it maintains and strengthens business institutions and class inequality. Because everyone's life depends on business, responsible governments must create situations conducive to corporate success. In doing so, they divert tax revenues raised from the majority of citizens to the benefits of corporations and their owners. Biersteker (1983) suggests that during the 1970's there was a tremendous growth in the role of the State in directing economic activities throughout Africa. Increasingly, most national states in the Third World have assumed regulative, welfare, and planning functions, and the State has become the major economic actor in many of these countries.

As a member of OPEC, oil revenues have provided the Nigerian rulers with enormous power to exercise their own role as a mechanism for maintaining the viability of the system and their own interests. However, Ohiorhenuan (1984) suggests that the discretion of the power of the Nigerian military state has to be exercised within, and is therefore determined by particular social relations of production. In the end the State represents little more than the interests of capital.
The political economy of these regimes in Nigeria, rests on the pattern of class relations; and class relations in a dependent economy are subject to the mode of articulation between the dependent economy and the world capitalist system.

Nigerian rulers have embarked on the expansion of State involvement in the economy, notably in the petroleum and the petrochemical sectors, while rural and agricultural productivity have been relegated to the background. Some of the drawbacks of this approach are demonstrated by the renewed state of dependency in which this country is trapped, the distortions of popular development that would serve the great masses of the peasantry and the denial of basic services for the urban popular masses.

The military regimes in particular, aware of the temporary nature of their political power, can be expected to hedge not only against future losses of income, but also against future loss of power. Thus, they tend to build an independent power base, in effect having their interests coincide with the interests of capital. Therefore, the military cannot wish to undermine private capital accumulation. The capitalist sector has always depended heavily on the state as a source of growth. The capitalist sector is comprised of a small number of owners and representatives of foreign enterprises, and a relatively larger number of Nigerian businessmen. Foreign capital dominate the economy not only in terms of ownership but also in terms of organizational control. On the other hand, however, the indigenous businessmen are deeply involved in the very profitable activity of mediating between the bureaucrats and the State on the one hand, and
foreign capital on the other. Thus, although they are in competition, the interests of domestic businessmen, bureaucrats and the State coincide both at the level of opposing foreign capital in the "national" interest and at the level of working with it in the interest of "development" (Ohiorhenuan, 1984:12)

This scenario suggests that the autonomy of the military state is more apparent than real. It seems more useful to see the military regime as attempting to contain the conflict within the ruling group, even to accelerate the emergence and consolidate the position of a real national bourgeoisie by reconstituting property rights and manipulating credit in favor of the aspiring bourgeoisie. At the same time, it has to accommodate the foreign bourgeoisie, and it ensures the compliance of the other classes through a combination of bribery, propaganda, and violence. The ability to pursue this scheme of things is greatly facilitated by its control of oil revenues (Ohiorhenuan, 1984:12). The consideration of urban public services oftentimes gets reduced to a set of fragmented and almost bureaucratic-perceived issues, without considering the broader perspective of linkages between the functions of the State and the processes which occur in the sphere of production and distribution.

Service Bureaucracies As Parastatals

As already mentioned, the State has completely taken over the oil industry, and acquired controlling shares in enterprises that range from banking and insurance to manufacturing. The federal state has had a long-standing monopoly over the generation and distribution of electricity, the mining of all minerals, domestic air and rail
transport. Also included are many activities described as social (public) services.

In recent years the federal government of Nigeria has embarked on transforming urban service providing bureaucracies into parastatals including of course, the F.H.A. These bureaucracies are now charged with the responsibility similar to other government commercial corporations, which include: the Central Bank of Nigeria, the Nigerian National Petroleum Corporation, the Nigerian Ports Authority, the Nigerian Railway Corporation, the Nigerian Airways Authority, and the much disliked National Electric Power Authority. Put bluntly, the F.H.A. and other service providing bureaucracies are now required to make profits in their daily operations.

In the definition of Section 277 of the Constitution of the Federal Republic of Nigeria 1979, these parastatals belong to the Public Service. A parastatal comprises corporations, boards, councils, commissions or other Government agencies set up by specific Acts of the National and companies in which Government has controlling interests (Report of the Presidential Commission on Parastatals, Lagos, 1981--the Onosodo Commission:16). Parastatals have existed in Nigeria for a long time, ranging from a handful in the 1950's, and increasing dramatically in number - well over 200 in the 1980's, while it is estimated to be employing just over 250,000. The stipulation in the governing principles and management of these parastatals on the more fundamental issues, namely, that they should be directed by Boards which should be concerned only with ensuring the formulation and enunciation of policy; that the "day-to-day" management of each parastatal should be the task
of the Chief Executive (Military Administrator in the current military regime) and his staff; and that Government should control the affairs of the parastatal through the interaction of a Minister with the chairman and members of the Board (Ibid).

As a result the service providing functions of the parastatals are bound to be under closer ministerial supervision than private corporations. Many service providing bureaucracies today have federal ministries supervising their activities. For example, the F.H.A.'s service policy formulation and implementation activities are bound within the budget and directives of the Federal Ministry of Works and Housing.

During the first Republic (October, 1960-January, 1966), Board members were mainly political nominees of the Government. The knowledge and experience which the member was expected to bring to bear on the management of the enterprise was of secondary importance, if they were taken into consideration at all, in deciding his appointment. During the military rule, in an attempt to improve the situation, Board members of parastatals were drawn mainly from the Public Service Sector and a few Nigerians from the private sector. The preponderance of Government officials on these Boards tend to aggravate the erosion of the autonomy of the parastatals, since such officials see themselves, not so much as Directors in the traditional sense, but simply as representatives of the supervising or regulatory Ministry (Ibid).

The State always reserves for itself the power to appoint the Chairman, Chief Executive, Administrator and other Directors of parastatals. Usually, the State appoints individuals who are bound to
effect its ideology on policy outcomes. All regimes in Nigeria (civilian or military) regard these appointments, to a very significant extent, as opportunities to exercise political patronage. An example of the 1959 tribunal proceedings point to this fact. A leading member (E.O.Eyo) of the defunct political party, N.C.N.C. testified in the course of his evidence at the Foster Sutton Tribunal of Inquiry in 1959 as follows:

We said that if the people voted for us, that if they returned us to power, all the boards and corporations would be theirs ... Our main objection to put in a member of the opposition was that if they earned a salary we cannot enforce them to pay the 10 percent to the party (Proceeding of the tribunal of inquiry into the conduct of the Premier of Eastern Nigeria, Foster Sutton Tribunal - OKO, 1985).

Fiscal Control of Federal Housing Authority (F.H.A.)

It was observed that parastatals are set up primarily for the achievement of prescribed and politically authenticated social and economic objectives. They often have to operate within the rigidities of a social or statutory nature, and the larger part, if not the whole of their capital, ultimately forms part of public funds. Much of the public outcry about inefficiency is directed against such parastatals as National Electric Power Authority (N.E.P.A.), Nigeria Airways, Nigeria Ports Authority (N.P.A), Nigerian Railway Corporation (N.R.C.) and Posts and Telecommunications, which render utility services directly to the public. The usual financial measurements, such as contribution margin, real growth, etc., employed in the private sector to measure efficiency in the use of various inputs are applied, as appropriate, to each parastatal. Parastatals which are essentially commercial are all required at least to break even. This requirement
is, in fact, often entrenched in the statutory instruments under which they were set up, and in the case of parastatals incorporated under the Companies Act, there has never been any question but that they are expected to operate efficiently and profitably. The principle of cost recovery or cost minimization, as appropriate, are rigorously enforced, and desirable rates of return on total capital employed are prescribed by Government.

The federal state control of F.H.A. is mainly by the method of financing and budgetary control. One of the most common ways of financing F.H.A. and other parastatals has been by subvention (grant) to them by the federal state. Normally, government subvention constitutes free capital on which the organization is not expected to pay any interest or dividend nor is it expected to pay back the money in full or in part.

Another method that F.H.A. is financed is through raising loans either directly from the federal government or indirectly through government-guaranteed private arrangements with financial institutions. The federal government determines to a very significant extent on how the Authority is financed. According to official documents: The ability of F.H.A. or other parastatals to borrow money on their own account would depend, on the extent to which they are able to subject themselves to the discipline of the capital market both domestic and international (Report of the Presidential Commission on Parastatals, Lagos, 1985:45).

In recent years, however, the main source of revenue to the Authority is income from operations such as mortgage collection. As a
source of funds, income from mortgage collection has been able to support little more than the underwriting of operational costs. The federal government's financial policy towards the Authority has taken a drastic turn in the last four to five years, resulting in stringent financial measures. It was gathered that the federal government now expects the Authority to be financially self-sufficient and self-reliant.

The 1984 Annual F.H.A. Report states:

The impact of the stringent financial measures inevitably introduced by the Federal Military Government as a result of the serious economic depression in the country was badly felt by the Authority in 1984. Not even a single Kobo (cent) was released by the Government in the form of subvention to enable the Authority to perform its statutory functions . . . The meager funds released by the Government were repayable loans and did not come until July, after several efforts. The sums were N469,970.00 on Capital Account and N642,600.00 on Recurrent Account. The Authority had to depend largely on mortgage collection to meet its inevitable current commitments and part of its irrevocable judgment in a suit by Warner and Warner International Associates Nig. Ltd. The Authority was compelled to enter an agreement with New Nigerian Bank Ltd. for a guarantee to cover the judgment debt of N11,502m. This was the best the Authority could do in the circumstances of critical liquidity position and inability to get financial assistance from the Government because of the state of the economy. The greater part of the Authority's liquid asset had to be pledged as collateral security to the bank (F.H.A. Annual Report, Lagos, 1984:31).

The functions, activities and obligations of F.H.A. continue to expand, while the finances are consistently dwindling (Table IX). The capital base of F.H.A. has become so grossly inadequate for the size and nature of operations that the organization is undertaking. The federal state budgetary control over F.H.A. remains unsatisfactory, and this as a result continues to undermine its capacity to execute appropriate long term planning. If the F.H.A. is not properly funded to start with, it
is hardly reasonable to expect them to perform optimally. Unless it is properly financed it would be incapacitated in making its medium to long-range plans. In terms of contract awards, it was learned that the

TABLE IX

A SUMMARY OF GOVERNMENT SUBVENTION TO THE F.H.A.

<table>
<thead>
<tr>
<th>Year</th>
<th>Naira*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1977</td>
<td>200,000,000.00</td>
</tr>
<tr>
<td>1978</td>
<td>32,823,663.00</td>
</tr>
<tr>
<td>1979**</td>
<td>7,980,467.5</td>
</tr>
<tr>
<td>1980</td>
<td>4,113,000.00</td>
</tr>
<tr>
<td>1981</td>
<td>4,770,000.00</td>
</tr>
<tr>
<td>1982</td>
<td>5,000,000.00</td>
</tr>
<tr>
<td>1983</td>
<td>3,024,000.00</td>
</tr>
<tr>
<td>1984</td>
<td>0</td>
</tr>
<tr>
<td>1985</td>
<td>0</td>
</tr>
<tr>
<td>1986</td>
<td>2,106,139.27</td>
</tr>
<tr>
<td>1987</td>
<td>1,325,505.00</td>
</tr>
</tbody>
</table>

*See page 135 for Naira exchange rates in dollars. **Estimate - file was missing for the year, 1979.

uppermost limit of contracts which can be awarded by F.H.A. without reference to higher authority, (such as the supervising Ministry) is only one million naira. This amount is grossly inadequate especially for building construction and engineering service activities, where a single item of equipment could sometimes cost more than this amount. Responding to an interview by the Business Vanguard (Lagos) in May, 1988, the F.H.A. Chief Executive (Military Administrator), Col. A. A. Kama described the Authority's finances in terms suggesting that it is cash strapped. He pointed out:
In the past two years, the amount of money received from the federal government has been within 2-3 million naira, which is less than required by the Authority. Staff salary alone annually consumes up to about 5 million naira (Vanguard, Lagos, May 29, 1988:11).

There is abundant evidence to the financial predicament of the F.H.A. in the last five years and this is reflected in the financial statements from the F.H.A.'s Finance and Mortgage Department for the year, 1984.

The Department faced unprecedented challenges in 1984 as it had to cope with the severest financial crisis in the Authority's history. This situation, however, was a corollary of the Management's shortcomings of the past. In particular, it was due to the fact that many big projects were embarked upon without pre-requisite feasibility surveys and due regards for the Authority's financial capacity. If the present Federal Government policy that the Authority should be self-financing continues in the new year, it is the Department's fear that operational paralysis may result therefore (F.H.A. Annual Report, Lagos, 1984:33).

Since the year 1985 did not witness any appreciable improvement in the poor state of the nation's economy, it was not surprising that Government's attitude to the Authority, as in the preceding year was that of expecting it to be financially self-sufficient and self-reliant. Like in 1984, therefore, no subvention was received. Faced with an inelastic revenue base, the Department had an up-hill task in stemming the tide (F.H.A. Annual Report, Lagos, 1985:44).

Although government's expectation that the Authority should be financially self-reliant remains unchanged, a total sum of N2,106,139.27 was received from the Federal Government as subvention in 1986. This sharply contrasted with the situation in the previous year when no subvention was received. Considering the government policy of ensuring that most parastatals like F.H.A. should be financially self-
sustaining, and noting that the Authority's main business of provision of housing units and prepared land for development is capital intensive, it becomes inevitable that the Authority's effort to resort to borrowing from capital market should be pursued with vigor in 1987 (F.H.A. Annual Report, Lagos, 1986:38). Given this structure, a large parastatal such as F.H.A. that requires large amounts of capital in order to provide water supply and other basic services to local residents cannot, therefore, expect to succeed in raising it from the capital market without active participation by the Federal State.

**URBAN DEVELOPMENT PATTERNS, CAPITAL ACCUMULATION AND SERVICE DELIVERY**

Numerous studies (Castells, 1977; Rich 1982) have argued that accumulation must precede all projects which transform urban space and its uses. Periods of urbanization have corresponded to phases in the process of capital accumulation which produce distinctive patterns of urban development. The dynamics of urban development in many African countries (including Nigeria) reflect the need to reconcile and simultaneously find ways to resolve one of their most acute contradictions, which is the objective need to increase domestic accumulation and the limited nature of the material and financial resources available. Throughout the 'post independent' period (1960 onward), Nigeria has implemented various National Development Plans in the effort to overcome its economic backwardness, and as a result capital accumulation has become an extremely pressing problem, converting it into one of its economic and social policy. The rate of
economic growth is dependent on the pace and scope of accumulation of capital.

As some works (Ohiorhenuan, 1984) demonstrate, given the presence of a weak national bourgeoisie and the state of Nigerian underdevelopment, the state has assumed the dominant role of directing and controlling the internal movement of capital. Control of the state is the main source of private wealth accumulation. The vast majority of capital which supports urban development is accumulated in the private sector. The significant presence of urban industrial development in Lagos and other parts of the country has accelerated the accumulation process.

Meanwhile, the delivery of urban public services is relegated to the background. The scarcity of public services in the urban centers still persists. In housing, for example, the F.H.A. officials (personal interviews) complain that in recent years, the state has offered financial support on an extremely limited basis, principally in the construction of upper-and-upper-middle income residential homes in Festac and in other local regions. Because of financial constraints and limited assistance from the federal state, the Authority has been compelled to give the private developers the leading role in the development of the second phase (generally referred to as Phase II) of the Festac Town region, currently zoned upper-class residential. According to some of the engineering officials, the Authority will make its money from survey, site plans and management fees, together with the profits from selling off the developed sites to private developers. In an interview with the Business Vanguard (Lagos), during the time of
this study, the Military Administrator of the F.H.A., Col. A.A. Kama commented:

We not only sell houses to individuals, we now sell plots to private individuals to develop accordingly. Since the beginning of this year, we have given land allocation to about 400 applicants and hope to give out about 200 more before the end of the year (Vanguard, Lagos, May 29, 1988:11).

The Authority claims that it can no longer afford to build or provide housing for the low-income. It has also become infeasible for the Authority to develop and build houses for sale on the open market on installment payment plans (previously 30 years). This has resulted in a housing delivery policy described by an official (personal interview) as "cash and carry" - whereby payment for the total cost of the housing is required before occupancy. Citing an official document (F.H.A., Diary, 1988), "The mode of disposal of housing is purely on a commercial basis. Buyers are expected to pay full premium before taking possession of the property." Of course only those individuals in the upper-income brackets can afford such housing stocks. One of the officials summed up the relationship between service delivery and urban economic development in the following way: "The era of building or providing for the urban masses is long gone."

However, some truly committed F.H.A. officials have emphasized the need for improved conditions in service delivery to all urban inhabitants, beyond the state commitment of capital to urban economic development and its accumulation and investment of huge sums in the infrastructure of freeways, bridges, airports, high rise office buildings and upper-class residential. However, only small amounts have been expended on actual provision of low-income housing, health,
sanitation and water supply. Revenues earmarked for the provision of basic urban services and the maintenance of existing public service infrastructures have been stifled in recent years (Tables X and XI).

TABLE X

FEDERAL HOUSING AUTHORITY INCOME AND EXPENDITURE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 1981

<table>
<thead>
<tr>
<th></th>
<th>9 Month Period to 12:31:80</th>
<th>Year to 12:31:81</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subvention from</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Federal Government</td>
<td>4,113,000</td>
<td>4,770,000</td>
</tr>
<tr>
<td>Other Income</td>
<td>3,130,780</td>
<td>4,461,994</td>
</tr>
<tr>
<td></td>
<td>7,243,780</td>
<td>9,231,994</td>
</tr>
<tr>
<td><strong>DEDUCT EXPENDITURE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff Cost</td>
<td>2,552,903</td>
<td>5,598,634</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>1,023,009</td>
<td>1,707,984</td>
</tr>
<tr>
<td>Advertising and promotions</td>
<td>115,140</td>
<td>12,148</td>
</tr>
<tr>
<td>Utilities and services</td>
<td>137,004</td>
<td>145,708</td>
</tr>
<tr>
<td>Sundries</td>
<td>15,455</td>
<td>67,818</td>
</tr>
<tr>
<td>Board Members' allowances</td>
<td>-</td>
<td>34,479</td>
</tr>
<tr>
<td>Professional charges</td>
<td>-</td>
<td>335,476</td>
</tr>
<tr>
<td>Financial cost</td>
<td>180,319</td>
<td>195,983</td>
</tr>
<tr>
<td>Office expenses</td>
<td>359,623</td>
<td>755,480</td>
</tr>
<tr>
<td>Depreciation charges</td>
<td>361,503</td>
<td>719,325</td>
</tr>
<tr>
<td></td>
<td><strong>4,744,956</strong></td>
<td><strong>9,573,035</strong></td>
</tr>
</tbody>
</table>

OPERATING SURPLUS/DEFICIT FOR THE YEAR

N 2,498,824  N 341,041

TABLE XI

FEDERAL HOUSING AUTHORITY INCOME AND EXPENDITURE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 1983

<table>
<thead>
<tr>
<th></th>
<th>1982</th>
<th>1983</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INCOME</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subvention from Federal Government</td>
<td>5,000,000</td>
<td>3,024,000</td>
</tr>
<tr>
<td>Other Income</td>
<td>8,001,309</td>
<td>4,808,248</td>
</tr>
<tr>
<td></td>
<td><strong>13,001,309</strong></td>
<td><strong>7,832,248</strong></td>
</tr>
<tr>
<td><strong>DEDUCT EXPENDITURE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff Cost</td>
<td>7,176,137</td>
<td>8,126,180</td>
</tr>
<tr>
<td>Repairs and maintenance</td>
<td>2,997,902</td>
<td>3,212,264</td>
</tr>
<tr>
<td>Advertising and promotions</td>
<td>68,205</td>
<td>91,421</td>
</tr>
<tr>
<td>Utilities and services</td>
<td>315,645</td>
<td>322,449</td>
</tr>
<tr>
<td>Sundries</td>
<td>16,048</td>
<td>2,266</td>
</tr>
<tr>
<td>Board Members' allowances</td>
<td>25,517</td>
<td>16,275</td>
</tr>
<tr>
<td>Professional charges</td>
<td>881,547</td>
<td>369,500</td>
</tr>
<tr>
<td>Financial cost</td>
<td>94,544</td>
<td>283,893</td>
</tr>
<tr>
<td>Office expenses</td>
<td>569,685</td>
<td>940,031</td>
</tr>
<tr>
<td>Depreciation charges</td>
<td>1,021,409</td>
<td>1,200,591</td>
</tr>
<tr>
<td></td>
<td><strong>13,166,639</strong></td>
<td><strong>14,464,870</strong></td>
</tr>
</tbody>
</table>

| OPERATING DEFICIT FOR THE YEAR | N [165,330] | N [6,732,622] |

SUMMARY

In this chapter the fundamental economic relations that shape the urban service delivery pattern have been examined. Analysis has suggested that the efforts by organizations and firms in reverting to production and delivery of water supply and water related services to the elite segment of the society undermines a comprehensive and coordinated development of service delivery system that would cater to all urban inhabitants. The individualized pattern of access to public services has also suggested that the majority of the Nigerian urban inhabitants who are not central to capital accumulation would have markedly restricted access to urban services.

The power and financial limitations of the Nigerian bureaucracy indicate an enhanced role of the Federal State in the internal allocation and distribution of resources. The large oil revenues served to reinforce the relative position of the Federal State. The cutbacks in public service expenditure, including the reduction in federal government subvention to service-providing bureaucracies such as the F.H.A. have resulted in a growing crisis in the public service delivery system. The criteria of profitability which are imposed upon F.H.A. and other parastatals determine to a very significant extent on the mix and level of urban public service delivery.

The patterns of economic development and the issue of capital accumulation in the Lagos and Festac regions; the enhanced role of the federal state in resource allocation; and the increased privatization of service delivery (especially in housing) demonstrate some inherent structural factors in service delivery patterns. The product of
relying on foreign expertise, and paid for in hard currency to build complex service production and delivery systems with foreign technology raises a serious question on budget allocation in Nigerian political economy. Regular access to hard currency is a necessary requirement to sustain these infrastructures.

Therefore, in order to further understand and explain the role of Nigerian federal state in the activities at the local level and the provision of public services it becomes necessary to examine in a broad-spectrum the functions of the federal state within the global configurations and the allocation of resources in a developing society.
CHAPTER V

GLOBAL DYNAMICS AND RESOURCE ALLOCATION IN THE THIRD WORLD:
INTERNATIONAL CAPITAL AND PUBLIC SECTOR FINANCING

This chapter is a broader attempt to examine and understand the international context within which the Nigerian federal state functions and has the ability to develop and implement public policies. It examines in part, the historical development of Third World industrialization policy and its reflection on external stimuli. This is a further attempt of the study to provide a better understanding of the problems of locally provided public services (in a Third World setting) as they respond to shifts in the global and national urban development policies. It, thus, extends the analysis beyond the narrow confines of locally conceived issues to include the linkages between Third World export sector economy, fiscal capacity and public service expenditure patterns.

The Third World Debt Crisis provides the foundation for the analysis. It traces the origins of debt accumulation in the Third World and its adverse effects on these countries' domestic policies. The role of the International Monetary Fund (IMF) in shaping public expenditure patterns in the Third World is also examined.

The specific case of Nigeria provides a brief examination of the country's development policy, commodity prices, debt servicing and public service cuts. The ongoing wide-spread privatization schemes in public service delivery elsewhere in the Third World are examined,
providing a comparative analysis with industrialized countries—with specific reference to housing delivery in Britain, bringing to bear the politics of service delivery.

DISMAL DEVELOPMENT POLICIES AND THE THIRD WORLD DEBT CRISIS

In the late 1950's and early 1960's the world economic system began to change in regard to its utilization of Third World labor force. In Europe the migrant workers had become more organized, less docile and less welcome as the global recession began to take effect. Accordingly, many Western European and North American companies began to shift their points of productions into the cities of the Third World. These companies were not only aware that cheap labor existed in the Third World countries, but also, knew that the cheap labor would be guaranteed by authoritarian governments, reliant on the West for political and economic support. Some scholars have referred to this phenomenon as the New International Division of Labor (Drakakis-Smith, 1987:27). As one might imagine, however, this urban economic transformation has led to unprecedented demands in the Third World cities—demands for housing, transportation, health, education, pipeborne water etc., which most governments have been unable or unwilling to provide.

One of the gravest problems of present-day global relations and the consequent problem of internal production and distribution of resources in the Third World is the escalating debt on the loans and credits accumulated by African nations and other Third World countries.
from bilateral and multilateral financial institutions, and the resultant steadily importations which exceed more than they export.

Substantial evidence points to the fact that the causes of the mounting debts of the Third World countries reach beyond the OPEC oil-prrice hikes of the 1970's and includes as well, the post World War II era. Within the development of post World War II capitalism and the growth of corporate society, Western economists and policy-makers came up with the notion of "development" and "modernization" for the newly decolonized countries of Africa and the rest of the Third World. For many years, the key policy makers assumed that these newly emerging nations had a single goal and must follow a single path to reach it.

People in authority both in the West and in the newly decolonized countries wanted to transform these "backward" Third World countries to become like the industrialized ex-colonial powers. These power brokers drummed up economic (medicines) programmes for these "young" nations based on "development" and "modernization" theory that called for Third World industrialization at all costs. At the same time, shifts of large-scale industrial production from the West to the Third World were taking place. Governments of the Third World were given incentives by the multi-lateral institutions to borrow in order to put into practice grandiose and ill-conceived projects in the name of economic "development" and industrialization that were based not on the logic of internal development, but rather on exogenous factors which were the driving force and the determinant of the direction and pace of development. Critical scholars (Amin, 1980; Frank, 1982; Wallerstein, 1982) have referred to this strategy of industrialization as one of
import substitution. The primary means of financing these imports consists of exports of scant raw materials and extension of credits and loans from multilateral financial institutions.

The leaders of the Third World took it for granted that the quickest way to make up for lost time would be to copy, i.e., the faster they could copy, the faster would be the progress. The choice of the shortest route involved the need to obtain international means of payment in order to acquire the necessary techniques wherever they might become available. The normal practice was to pay for these techniques with primary products or other goods incorporating simpler techniques, thus entering the system of international division of labor which operates in the interests of those in the vanguard of technological development (Furtado, 1983:84). Everything was placed in the service of modernization based on industrialization. In some cases, material results may be undoubtedly spectacular. However, since the technique incorporated in the more complex sectors is acquired abroad and since the possibilities of gaining entry into international markets (other than through the export of primary products) are not only limited but are also subject to conditions dictated by firms with transnational networks at their disposal, the economic system is under constant threat of obsolescence (Furtado, 1983:95).

Banks on the other hand were perceived as an engine for economic growth, or as George (1988) puts it, "... to grease the wheels of international commerce." As terms of trade shifted against the Third World, with the price of goods manufactured in the industrialized countries outrunning the price of raw materials exported by the Third
World, and in order for the Third World to continue importing these manufactures from the industrialized countries, bank loan was the answer.

Some studies have shown that in many cases banks were simply financing U.S. and European corporations that wanted to sell their products in the Third World. Banks thus, had no reason to care about what was happening inside the borrowing country: they were financing not the Philippines and Brazil, but Boeing and Westinghouse, usually in partnership with the Export-Import Bank and other national equivalents. In exchange the Western governments gave the bankers iron-clad insurance against losses (George, 1988:45).

This excessive borrowing and lending however, reached a turning point in the energy crises of the 1970's - the OPEC oil price hikes. In order to maintain economic growth, and in addition to assuring the survival of some fragile regimes, the developing countries without oil wealth had to borrow, and then borrow more to offset energy prices that were squeezing their import substitution industries. On the other hand, oil-rich developing countries such as Nigeria, Mexico, Venezuela and Indonesia, wanted to borrow for their development plans, in effect cashing in early on as yet unpumped crude reserves (Time, Jan. 10, 1983:45). International Development Agencies, however, encouraged this practice. Financial institutions such as the International Monetary Fund (IMF), in short, ensured that overexposed banks will be repaid, acting as a watch dog for the Western banks over these Third World countries.
The recycling of petro-dollars earned by the Organization of Petroleum Exporting Countries (OPEC) was the policy of the day. The OPEC countries deposited much of their excess wealth within the world's major banks, which in turn loaned the money to those countries who needed it to buy oil, or in some cases, to other Third World countries who were eager to "modernize" their economies (Table XII). The recycling

<table>
<thead>
<tr>
<th>Country</th>
<th>Total at year-end 1982</th>
<th>Debt Service Payment for 1983</th>
<th>Payment as % of Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>$87.0</td>
<td>$30.8</td>
<td>117%</td>
</tr>
<tr>
<td>Mexico</td>
<td>80.1</td>
<td>43.1</td>
<td>126</td>
</tr>
<tr>
<td>S. Korea</td>
<td>36.0</td>
<td>15.7</td>
<td>49</td>
</tr>
<tr>
<td>Venezuela</td>
<td>28.0</td>
<td>19.9</td>
<td>101</td>
</tr>
<tr>
<td>Egypt</td>
<td>19.2</td>
<td>6.0</td>
<td>46</td>
</tr>
<tr>
<td>Peru</td>
<td>11.5</td>
<td>3.9</td>
<td>79</td>
</tr>
<tr>
<td>Nigeria</td>
<td>9.3</td>
<td>4.9</td>
<td>28</td>
</tr>
<tr>
<td>Zaire</td>
<td>5.1</td>
<td>1.2</td>
<td>83</td>
</tr>
<tr>
<td>Zambia</td>
<td>4.5</td>
<td>2.0</td>
<td>195</td>
</tr>
<tr>
<td>Bolivia</td>
<td>3.1</td>
<td>1.0</td>
<td>118</td>
</tr>
<tr>
<td>Argentina</td>
<td>43.0</td>
<td>18.4</td>
<td>153</td>
</tr>
</tbody>
</table>

Sources: Morgan Guaranty Trust Company; Time, January 10, 1983

business was a bonanza for Western banks--from Wall Street to the financial centers of Europe. Profits were large, because the typical
Third World country, a higher-risk borrower, paid a higher interest rate than a domestic corporation (Time, Jan. 10, 1983:44).

The lead lenders in the debt build-up were the money-center banks (MCBs). The MCBs are a relatively new breed and make up one of the world's more exclusive clubs, generally estimated at nine American members. A more generous definition might include some fifty banks qualifying as MCBs world-wide. The big nine in the U.S. are Bankers Trust, Bank of America, Chase Manhattan, Citicorp, Chemical, Continental Illinois, First Chicago, Manufacturers Hanover, and Morgan Guaranty. In 1985 their collective net income was $3.4 billion (which takes account of a loss of $337 million by Bank of America). British banks in this select group include Lloyds, Barclays, the National Westminster and the Midland. In 1985 their combined pre-tax profits were over 2.6 billion pounds (George, 1988:35).

According to World Bank estimates, this lending and borrowing paid off for a while. It claimed that between 1973 and 1980, the economies of low-and-middle-income developing countries grew at an annual rate of 4.6%, nearly double the 2.5% growth experienced in the industrialized world.

This economic growth was illusory and short-lived. Economic fluctuations in the industrialized countries have always had detrimental impacts on the developing economies. The economic recession of 1973-1975, and 1978-1983 in the industrialized countries sparked industrial production cuts, unemployment and set off calls for protectionism in these countries to stem the flow of imports from the Third World. As a result, the demand for the developing nations'
products, mainly raw materials, slumped. World commodity prices fell to lowest levels. The developing countries found themselves in a classic squeeze, such as, rising debt costs eating up ever larger chunks of declining export earnings (Time, Jan. 10, 1983:46).

The implications of this development model are enormous. Even when corruption is absent, the gilding of technological lilies systematically adds millions to the bill (George, 1988:17). In the Third World, "development" and "modernization" theory have proven inappropriate in a world in which the gap between the rich and poor is growing by leaps and bounds and even the number of poor and the debt of their poverty is increasing. With the deepening world economic crisis, the poorest countries in the Third World, and the poorest third or more of the people in even the richest countries of the Third World, have been getting increasingly poorer and marginalized from the economic and social benefits of the "development" process. Massive famines, caused far more by profit and poverty than by physical shortages of food, are almost certain to stalk many parts of the Third World for many more years to come (Frank, 1982:133-134).

In terms of internal production and distribution of resources in the Third World, this development model has proved time and again (even in the most "successful" and "model" countries, such as Brazil and South Korea) to be a snare and a delusion based on ruthless exploitation, cruel oppression, and/or the marginalization of the majority of the population (Frank, 1982:135). The modernization model is consequently imitative. It mimics without understanding and copies without controlling. Lacking roots in the local culture or
environment, it quickly droops and withers if not sustained by transfusions of foreign capital, technology and ideas. It goes for growth, usually without asking, Growth of what? For whom? The model is costly. It neglects resources that the local environment could provide and the skills that local people could supply, counting rather on imports, at escalating prices. It neglects not only peasants but anyone who does not belong to a thin layer at the top of society, identified as the modernizing elements. The model is outward-looking. Debt crisis in the Third World is a major outcome of this modernization model (George, 1988:14-15).

Thus, the problem confronting these developing countries assumes several forms. There is the intensification of accumulation and modernization which are based on direct co-operation with the transnational firms (Furtado, 1983), either through the export of non-renewable resources or the exploitation of local manpower. This, however, does not prevent the national governments from basing their legitimacy on a doctrine of 'national interest,' fuelled by attacks (real or apparent) on the foreign enterprises co-operating in the process of modernizing country.

As Furtado (1983) puts it:

Since the technology of industrialization is constantly developing and since accumulation provides the vector for this progress, any relative backwardness in accumulation will be translated into the higher cost of imported techniques, measured in terms of the unit cost of labor in the importing country. Dependency should be understood firstly as a set of structural features that are determined by historical circumstances: the form of entry into the international division of labor system will engender a relative backwardness in the development of productive forces; industrialization promoted by modernization programmes will reinforce trends towards the concentration of income; the need to import certain
techniques will facilitate control of economic activities by the transnational enterprises. Thus, disparities in accumulation levels reflect the global configuration of the system (Furtado, 1983:115-116).

Third World Debt and Public Service Expenditure.

Despite the dwindling state revenues among the Third World countries, their governments, however, must devote every last penny to debt servicing, severe cuts on domestic expenditures, salaries are driven down (high inflation and low salaries), massive lay-offs of public workers and cuts in public services (education, health, low-cost housing, electricity, portable water, etc.). These developing economies compete among one another with state subsidies to provide plant facilities, expensive infrastructures, tax breaks with no strings attached, and every other kind of incentive for foreign capital to come to produce there for the world market. There are no obligations on the part of foreign capital to subject investment of some of its profits in a minimal production and distribution of public services to the residents of the immediate locality.

Because of the specific articulation expressed in the link between the export sector and luxury consumption that characterizes the modernization development model, industrialization through import substitution begins at the end. That is with products corresponding to the most advanced stages of development in the advanced economies with durable goods. These products are big consumers of capital (skilled labor, imported technology, etc.) This results in a basic distortion in the process of resource allocation in favor of these products and to the detriment of the production of socialized consumption goods and
services. The latter sector is systematically neglected (Amin, 1980:137).

The dynamics of global capital in terms of markets, commodity prices and investments; and the changes in the production system in the Third World to a significant extent reflect shifts in the internal distribution of resources and public expenditure patterns within these countries. National debts in the Third World perhaps have resulted in the willingness of these governments to favor investment of scarce and non-renewable resources in the name of "economic growth" over public service expenditures, in order to facilitate capital accumulation. The result is perhaps a revenue starved public sector, fiscal stress, declining performance of service providing bureaucracies, massive growth in urban unemployment and under employment and stagnation of the agrarian sector.

In essence, the internationalization of capital and the geographical mobility of foreign investors (transnational firms) have created the capacity for their movement away from one Third World country to another, demanding reduction in wages and cuts on any public expenditure that these businesses may find disadvantageous. These countries compete endlessly with one another to comply with foreign capital demands. With threats such as relocation and by playing one country against another, foreign capital can determine the size, scope and revenue allocation in the local public service sector and government financing of socialized consumption goods and services. The linkage between foreign investments, government revenues and internal productive infrastructures allow for this practice of fiscal blackmail.
As Frank (1982) suggests:

These external economic and political pressures are simply reinforcing tendencies that have another much broader economic base in the capitalist attempt to maintain or revive the rate of profit by producing at lower costs in the Third World with national political support for these repressive measures in the same. Conditions favorable to international capital also include: political repression, the destruction of labor unions, and/or prohibition of strikes and other union activity, the systematic imprisonment, torture, and/or assassination of labor and other political leaders, and in general, the imposition of emergency rule, and military government in one Third World country after another. Indeed, the whole state apparatus has to be adapted to this Third World role in the new international division of labor. With these developments, one government after another is falling over itself to offer favorable conditions to international capital. The motto now is to work for the world market rather than for the internal market. Effective demand on the national market is not, and is not intended to be, the source of demand for national production--demand on the world market is, and is intended to be, the source of demand. Therefore, there is no reason to raise the wages of the direct producer, because they are not destined to purchase the goods that they produce. Instead the goods are supposed to be purchased on the world market far away. An important exception is the small local market of the high-income receivers, which is supposed to expand (Frank, 1982:138-139).

Thus, this "modernization development model" is based on the depression of the wage rate. Given the structure of income distribution, the structures of relative prices, and the structures of demand, the choice of any development strategy based on profitability necessarily brings about this systematic distortion (Amin, 1980:145).

Indeed, the mounting debt crisis is a phenomenon that has swept systematically through Asia, Africa and Latin America in recent decades. As George (1988) suggests:

The debt crisis is a true windfall for the lending institutions. A country like Brazil, for example, paid back $69 billion in interest between 1979 and 1985, and its only reward at the end of this period was to be deeper than ever in debt, owing even greater interest payments. The creditors have pulled themselves together. There is a new spirit of co-
operation (forced or genuine) between banks, governments and the IMF, stretching Third World debt has been made as trouble-free as possible. The consortium is adamant that the debt must continue to be handled on a case-by-case basis. One of the principal instruments that the creditors use in keeping the debtors in line is the International Monetary Fund (George, 1988:46).

The growing debt is used increasingly as a political instrument to impose austerity and super-austerity policies in the Third World. This blackmail through the renegotiation and extension of the debt has received many newspaper headlines from Peru, Jamaica and Turkey to Nigeria and Zambia, but it has also become standard IMF and private banking operating procedure elsewhere throughout the Third World. As these countries' foreign debt increases, they have to get the debt refinanced, both through private banks and official loans. The IMF then stipulates that the government must devalue the currency to make exports and foreign investment cheaper, lower wages, cut the government budget, especially for welfare expenditures, and take other anti-popular measures, and if it does not throw out Minister A and replace him with Minister B who is more likely to institute the IMF supported policies, then the country will not get the IMF certificate of good behavior and without it neither official loans nor loans from private banks will be forthcoming. This political economic club has been used to beat governments into shape to adopt policies of super austerity throughout the Third World (Frank, 1982:137).

THE NIGERIAN EXPORT SECTOR AND THE FEDERAL STATE REVENUES

Nigeria is not an exception to the dilemma of development that has inflicted the countries of the Third World for the past few
decades. In its bid to be industrialized, Nigeria adopted the industrial strategy of import substitution, which sought to replace imported manufactures with local manufactures. Initially, the emphasis was basically to develop a manufacturing sector that would produce light consumer goods to meet domestic demands. The strategy of import substitution, however, created insatiable needs of the Nigerian manufacturing industry for imported raw materials.

The watershed for this 'development-mania' was attained in the 1970's. As a member of OPEC, Nigeria was awashed in petro-dollars during the oil price boom of the 1970's, and this created a launching pad for its leaders to embark on ambiguous, ill-considered and unrealistic development plans and projects which have left the country a debtor nation.

With the eruption of the Middle-East crisis and the consequent oil-price hikes, the Nigerian federal government easily shifted from cash crop production to the oil sector as the country's major foreign exchange earner (See Tables XIII & XIV). The primary export sector has always remained a dynamic element in Nigerian National Development plans, projects and public sector financing. In short, still today, the primary export which is crude oil provides over three-quarters of the Nigerian federal government revenues, and consequently sets the level for budget allocation.
TABLE XIII
AGRICULTURAL AND CRUDE OIL EXPORTS AS PERCENTAGES OF DOMESTIC EXPORTS (SELECTED YEARS)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>84.3</td>
<td>61.6</td>
<td>31.8</td>
<td>4.6</td>
<td>4.7</td>
<td>7.0</td>
<td>2.9</td>
</tr>
<tr>
<td>Oil</td>
<td>2.7</td>
<td>25.9</td>
<td>58.1</td>
<td>94.0</td>
<td>92.8</td>
<td>90.0</td>
<td>95.3</td>
</tr>
<tr>
<td>Total</td>
<td>87.0</td>
<td>87.5</td>
<td>89.9</td>
<td>98.6</td>
<td>97.5</td>
<td>97.0</td>
<td>98.2</td>
</tr>
</tbody>
</table>


Presenting a paper to the participants in the 1986 budget orientation course organized for Permanent Secretaries and Chief Executives of Parastatals at the Nigerian Institute of International Affairs, the Head of Exchange Control Department observed:

The nature of the Foreign Exchange sector is such that policies and measures are susceptible to constant reviews due to changing circumstances in the world economy, especially the petroleum and petroleum based sectors. The budget is firstly the sum total of these developments in our foreign exchange earnings and expenditures within a fiscal year. Secondly, the foreign exchange budget is the instrument through which policy objectives and measures are proposed for the next fiscal year. It will be obvious from the foregoing that the performance of the nation in its Foreign Exchange and Balance of Payments sectors is an important barometer by which confidence in our economy can be judged. Our economy has a very high degree of imports content. In fact, it is believed that out of every naira spent within the Nigerian economy some 70 kobo has been used for imports (Exchange Control Department, Federal Ministry of Finance, Lagos, 1985:4-5).
## TABLE XIV

**OIL CONTRIBUTION TO FEDERAL GOVERNMENT REVENUE**

<table>
<thead>
<tr>
<th>Year</th>
<th>Oil Revenue</th>
<th>Total Revenue</th>
<th>Oil Revenue (Total Revenue %)</th>
</tr>
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<tr>
<td>1961</td>
<td>17.1</td>
<td>223.6</td>
<td>7.6</td>
</tr>
<tr>
<td>1962</td>
<td>16.9</td>
<td>238.8</td>
<td>7.1</td>
</tr>
<tr>
<td>1963</td>
<td>10.1</td>
<td>249.0</td>
<td>4.1</td>
</tr>
<tr>
<td>1964</td>
<td>16.4</td>
<td>277.6</td>
<td>5.9</td>
</tr>
<tr>
<td>1965</td>
<td>27.1</td>
<td>321.0</td>
<td>8.4</td>
</tr>
<tr>
<td>1966</td>
<td>37.7</td>
<td>339.2</td>
<td>11.1</td>
</tr>
<tr>
<td>1967</td>
<td>41.2</td>
<td>300.0</td>
<td>13.7</td>
</tr>
<tr>
<td>1968</td>
<td>23.3</td>
<td>299.9</td>
<td>7.8</td>
</tr>
<tr>
<td>1969</td>
<td>72.5</td>
<td>435.9</td>
<td>16.6</td>
</tr>
<tr>
<td>1970</td>
<td>196.4</td>
<td>758.1</td>
<td>25.9</td>
</tr>
<tr>
<td>1971</td>
<td>740.1</td>
<td>1410.9</td>
<td>52.5</td>
</tr>
<tr>
<td>1972</td>
<td>576.2</td>
<td>1389.9</td>
<td>41.5</td>
</tr>
<tr>
<td>1973</td>
<td>1461.6</td>
<td>2171.3</td>
<td>67.3</td>
</tr>
<tr>
<td>1974</td>
<td>4183.8</td>
<td>5177.1</td>
<td>80.8</td>
</tr>
<tr>
<td>1975</td>
<td>4611.7</td>
<td>5861.6</td>
<td>78.7</td>
</tr>
<tr>
<td>1976</td>
<td>5548.5</td>
<td>7070.3</td>
<td>78.5</td>
</tr>
<tr>
<td>1977</td>
<td>6080.6</td>
<td>8080.6</td>
<td>75.2</td>
</tr>
<tr>
<td>1978</td>
<td>4654.0</td>
<td>7371.1</td>
<td>63.1</td>
</tr>
<tr>
<td>1979</td>
<td>8880.9</td>
<td>10913.1</td>
<td>81.4</td>
</tr>
</tbody>
</table>

The temporary oil boom and the recycling of petrodollars brought with it an increased dependence on foreign markets. With the oil revenues, the Nigerian federal government became intoxicated with the illusion of oil wealth and initiated a massive construction boom: several capital-intensive development projects; numerous prestigious projects; and the construction of new towns and cities.

Nigeria's subsequent National Development Plans and Annual Budgets have come to depend on estimates and expectations of oil-revenue inflow. Thus, the federal government had always hoped that conditions in the world oil market would continue to improve. For example, the assumption during the 1984 budgetary exercise for the 1985 fiscal year, was that the Nation would sell 1.02 million barrels of oil per day at weighted official selling prices of U.S. $27.701 per barrel (Exchange Control Department, Lagos, 1985). But the world-wide oil glut (1981-1983) resulted in a sharp drop of oil prices. The federal government thus woke up to the realities of the global economic condition.

In a 1982 speech, Shehu Shagari, the civilian president (1979-83) commented on how his government was yet to use the oil money to transform the economy:

Despite Nigeria's oil prosperity there are the familiar problems of inadequate capital for investment in industrial ventures and social overheads such as electricity, water, port facilities, housing and telecommunications. There are also problems of migration from rural to urban areas, unemployment, inflation, inadequate resources and shortage of managerial and technical manpower . . . Increasing petroleum revenues to any developing country like Nigeria . . . cannot automatically mean such a country is a rich one (Lawrence Amin, 'Oil Glut and the Nigerian Economy', Lecture delivered at the Administrative Staff College of Nigeria, October 1982 - Falola and Ithonvbere, 1985:144).
With the world oil glut, Nigeria's oil revenues had fallen, while its foreign debt sky-rocketed. Oil production declined from 2.09 million barrels per day (bpd) in the early part of 1981 to 0.64 million bpd by August of the same year. The viability of the fragile civilian democracy was at stake.²

By the early part of 1982, production had declined to 500,000 bpd. The Fourth National Development Plan had envisaged a daily production level of 2.19 million and an average price of $55 per barrel. These precipitous declines in production, exports and revenues meant a serious crisis for the Development Plan and economy which were both extremely dependent on the oil market and the recycling of oil rents. Foreign reserves which stood at $10 billion in January of 1981 declined to $1.7 billion by March of 1982 (Falola and Ihonvbere, 1985:115).

The world oil glut in effect sent the civilian politicians scrambling for answers. However, they were not left with much alternative—foreign loan, again, was the answer. The federal government was forced to borrow money from the Euro-market.

External debts were accumulated during the good as well as the lean years. The external debt worsened, and debt service payments rose dramatically by 62.5% from N 0.8 billion in 1982 to N 1.3 billion in 1983 and N 3.6 billion in 1984. These developments, characterized largely by severe stagflation, that is, rising unemployment and inflation rates, and external and internal payment problems, formed the main focus of fiscal crisis of the federal government and the Central Bank of Nigeria. To cap it all, as much as 42.5% of the foreign
exchange earnings were devoted to repayment of external debt in 1984 with a promise to increase it to 45% in 1985. At the same time, little or no effort was made to repay the internal debts which impose less burden but which have a multiplier as well as an accelerator effect on the growth of the domestic economy and its capacity to generate an export surplus (Aluko, 1986:18).

With mounting foreign debt and external credits, and declining federal government revenues, the state, at the urging of the International Monetary Fund (IMF) implemented several austerity measures in order to be eligible for future loans and payment rescheduling.

In what turned out to be President Shagari's last Independence Anniversary Address to the Nation, he reflected on the crisis generated by dependence on oil, the declining revenues and inextricably, the unequal externally oriented process of oil rents recycling:

Our oil export earnings, which reached a peak of 22.4 billion dollars in 1980, declined to an estimated 9.6 billion dollars in 1983 . . . With the fall in oil revenues, the country is now faced with a growing shortage of foreign exchange. At the same time our manufacturing sector which is unhappily import-oriented, continues to weaken . . . To revive and stabilize the economy on a long-term basis, it is imperative that the country now begins the structural re-adjustment process required for renewed economic buoyancy (Alhaji Shehu Shagari, 23rd Independence and Inauguration Address to the Nation, October 1, 1983 - Cited in Falola and Ihonvbere, 1985:118).

**IMF - Structural Adjustment Programmes (Austerity Measures) and Public Service Cuts.**

Although OPEC surplus was recycled through the banks in the industrialized countries to the Third World, in order for these
countries to cover their balance of payment deficits through private loans with stringent conditions and costs, today, however, OPEC member nations have become net borrowers. The terms of trade have been shifting against Nigeria and other OPEC countries despite a temporary oil price boom. Recent World Bank reports suggest that the total output of Nigeria has fallen by about half since the early 1980's, and the per capita income which stood at about $800 in the early 1980's fell to about $370 in 1987. Additively, Nigeria which was previously rated as a middle-income economy, today belongs to the category of low-income economy, thus, qualifying for IDA aid to poor countries (West Africa, August 1, 1988:84).

Nigeria is among the large debtor countries like Brazil and many more which fall under the surveillance of IMF doctrine and at the same time have accepted adjustment (austerity) packages. The message to these countries from the Fund headquarters and Washington is export or perish. As some observers suggest, the problem for Nigeria and other Third World debtor countries is that there is a limited range of goods which they can offer, which pits one against another. The least developed economies are dependent on one, two or three agricultural or mineral raw materials, and some of these products face cut-throat, usually subsidized, competition from industrialized countries. For these debtor countries like Nigeria, IMF stipulates: export or else. Export or you will get no fresh credit, while the response sometimes has become: export what - the same old goods? It has been suggested that the IMF rigidity may bring ruin to an entire continent like Africa for years to come (George, 1988:87).
Nigeria joins Sudan and the Ivory Coast as the largest debtors in sub-Saharan Africa. "Low doses" of austerity measures have been implemented in Nigeria since 1982, in order to revamp the depressed economy as the authorities claim. The IMF is said to be the architect of the "adjustment" programmes. Nigeria adopted and implemented into policy the IMF-Structural Adjustment Programme (SAP) in July 1986. It was meant to last for two years, but official government reports that were put out in June of 1988 indicate that SAP is here to stay until further notice.

The following represent the stipulations of the IMF-Structural Adjustment Programme for Nigeria:

(a) To restructure and diversify the productive base of the economy in order to reduce dependency on imported goods and services and oil revenues.

(b) To lay the basis for sustainable non-inflationary growth.

(c) To achieve fiscal balance of payment viability.

(d) To reduce non-productive investments in the public sector as well as encouraging the growth of the private sector (Cited in West Africa, August 1, 1988:84).

The policies adopted by the federal government of Nigeria to meet the above mentioned requirements of SAP have drastically affected the social, economic and political conditions of the urban populace as well as, to a considerable extent, the rural inhabitants. The controversy of these policies have stirred vigorous protests and out-cry in several quarters - ranging from petty traders and market women, university lecturers and students to government bureaucrats and urban dwellers.
The protests were covered by media headlines. Citing South (a London based news magazine), when the government raised fuel prices earlier this year at the Fund's (IMF) prompting, there were violent protests in which many died (South, December 1988:6).

The specific policies implemented by the federal government to meet these requirements include: devaluation of local currency (Naira); deregulation of business activities, while minimizing bureaucratic interventions in the economy; reduction or removal of government subsidies to State parastatals; privatization and commercialization of State-owned enterprises; and finally, encouragement of foreign investment (Cited in West Africa, August 1, 1988:84).

Academicians as well as leading Nigeria economic and political analysts have condemned many of these reformist (austerity) measures. The most debilitating of these measures is the devaluation of the local currency to an all-time low (see Tables XV-XVIII). Even top government officials have commented that the dollar selling for almost seven times the value of naira is unacceptable. Official government reports indicate that the generally low exchange value of the naira has meant that industries have been unable to import necessary raw materials to boost industrial output. Most local factories are as a result, operating at less than 10% capacity. Other independent accounts, however, suggest that some of the underlying problems facing Nigerian industry are quite independent of SAP, and are endemic to the nature of many of the existing industries. These industries were set up during the oil boom days when it seemed that the supply of foreign exchange,
<table>
<thead>
<tr>
<th></th>
<th>JUNE 6, 1984</th>
<th></th>
<th>FEBRUARY 28, 1986</th>
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<tbody>
<tr>
<td></td>
<td>BUYING</td>
<td>SELLING</td>
<td>BUYING</td>
<td>SELLING</td>
</tr>
<tr>
<td>Pound Sterling</td>
<td>0.9398</td>
<td>0.9352</td>
<td>0.6751</td>
<td>0.6717</td>
</tr>
<tr>
<td>US Dollars</td>
<td>1.3258</td>
<td>1.3192</td>
<td>1.0029</td>
<td>0.9979</td>
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<tr>
<td>Deutsche Mark</td>
<td>3.6420</td>
<td>3.6238</td>
<td>2.2224</td>
<td>2.2114</td>
</tr>
<tr>
<td>Japanese Yen</td>
<td>309.2443</td>
<td>309.7019</td>
<td>182.0767</td>
<td>181.1685</td>
</tr>
<tr>
<td>French Francs</td>
<td>11.1633</td>
<td>11.1077</td>
<td>6.8347</td>
<td>6.8007</td>
</tr>
<tr>
<td>Swiss Francs</td>
<td>3.0282</td>
<td>3.0130</td>
<td>1.8815</td>
<td>1.8721</td>
</tr>
<tr>
<td>Dutch Guilder</td>
<td>4.1000</td>
<td>4.0796</td>
<td>2.5103</td>
<td>2.4977</td>
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</table>

Source: Exchange Rate Office, Central Bank of Nigeria.
### TABLE XVI

**NAIRA EXCHANGE RATES**

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<th>JUNE 9, 1988</th>
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<tr>
<td><strong>Pound Sterling</strong></td>
<td>7.3308</td>
<td>7.4045</td>
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<tr>
<td><strong>US Dollars</strong></td>
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<td>4.0897</td>
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<tr>
<td><strong>Deutsche Mark</strong></td>
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<td><strong>Japanese Yen</strong></td>
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<td>0.0326</td>
<td></td>
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<tr>
<td><strong>French Francs</strong></td>
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<tr>
<td><strong>Swiss Francs</strong></td>
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<td><strong>Dutch Guilder</strong></td>
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<td>2.1180</td>
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<table>
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<tr>
<th></th>
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<tr>
<td><strong>Pound Sterling</strong></td>
<td>8.3278</td>
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<td><strong>US Dollars</strong></td>
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<td>4.8484</td>
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<tr>
<td><strong>Deutsche Mark</strong></td>
<td>2.6287</td>
<td>2.6553</td>
<td></td>
</tr>
<tr>
<td><strong>Japanese Yen</strong></td>
<td>0.0366</td>
<td>0.0370</td>
<td></td>
</tr>
<tr>
<td><strong>French Francs</strong></td>
<td>0.7786</td>
<td>0.7865</td>
<td></td>
</tr>
<tr>
<td><strong>Swiss Francs</strong></td>
<td>3.1693</td>
<td>3.2013</td>
<td></td>
</tr>
<tr>
<td><strong>Dutch Guilder</strong></td>
<td>2.3306</td>
<td>2.3541</td>
<td></td>
</tr>
</tbody>
</table>

Source: Exchange Rate Office, Central Bank of Nigeria.
## TABLE XVII

**MONEY MARKET**

**JANUARY 17, 1989**

<table>
<thead>
<tr>
<th>NAME OF CURRENCY</th>
<th>BUYING</th>
<th>SELLING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pound Sterling</td>
<td>12.2259</td>
<td>12.3488</td>
</tr>
<tr>
<td>U.S. Dollar</td>
<td>6.9426</td>
<td>7.0124</td>
</tr>
<tr>
<td>Deutsche Mark</td>
<td>3.7477</td>
<td>3.7854</td>
</tr>
<tr>
<td>Japanese Yen</td>
<td>0.0544</td>
<td>0.0550</td>
</tr>
<tr>
<td>French Francs</td>
<td>1.0998</td>
<td>1.1109</td>
</tr>
<tr>
<td>Swiss Francs</td>
<td>4.3927</td>
<td>4.4368</td>
</tr>
<tr>
<td>Dutch Guilder</td>
<td>3.3207</td>
<td>3.3541</td>
</tr>
</tbody>
</table>


## TABLE XVIII

**CENTRAL BANK OF NIGERIA**

**(CBN) CROSS RATES**

<table>
<thead>
<tr>
<th>Name of Currency</th>
<th>Buying</th>
<th>Central</th>
<th>Selling</th>
<th>Previous Central</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pound Sterling</td>
<td>12.3481</td>
<td>12.4102</td>
<td>12.4722</td>
<td>12.2873</td>
</tr>
<tr>
<td>U.S. Dollar</td>
<td>6.9704</td>
<td>7.0055</td>
<td>7.0405</td>
<td>6.9775</td>
</tr>
<tr>
<td>Deutsche Mark</td>
<td>3.7780</td>
<td>3.7970</td>
<td>3.8160</td>
<td>3.7665</td>
</tr>
<tr>
<td>Japanese Yen</td>
<td>0.0546</td>
<td>0.0549</td>
<td>0.0551</td>
<td>0.0547</td>
</tr>
<tr>
<td>French Francs</td>
<td>1.1082</td>
<td>1.1137</td>
<td>1.1193</td>
<td>1.1503</td>
</tr>
<tr>
<td>Swiss Francs</td>
<td>4.4321</td>
<td>4.4544</td>
<td>4.4767</td>
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</tr>
<tr>
<td>Dutch Guilder</td>
<td>3.3512</td>
<td>3.3680</td>
<td>3.3848</td>
<td>3.3374</td>
</tr>
</tbody>
</table>

and therefore imported input, would never run out. Many observers have concluded that this was an illusion, as was the apparent benefits of the import-substitution policy (West Africa, August 1, 1988:1385). At the same time, these developments have meant increasing financial problems for the public sector (State parastatals and service bureaucracies), stemming from continuous loss of federal State financial support during these years of austerity measures and privatization implementation policy in the country. For instance, the low purchasing power of the local currency on the world market has meant forgone importation of service productive equipment, infrastructures and spare parts within these organizations. In an interview with Newswatch (Lagos based news magazine), the public relations manager of NEPA (Power Supply Authority) observed that, the organization's generation capacity depends on the availability of machines and spare parts . . . Because the authority imports virtually all its machinery, there is usually a long time-lag between when it orders spare parts and when it receives them (Newswatch, May 30, 1988:18). Production in several service delivery sectors has been drastically reduced in recent years. Not only have real income and wages suffered devastating decline, public services have deteriorated.

In his attempt to convey to the general public a progress report on SAP, Tony Momoh, the Nigerian Minister of Information and Culture made the following remarks:

SAP, true, has sapped us dry. It has as far as cartoonists are concerned made Twiggies of the fat ones, and broomsticks of the not-so-fat. It has reduced the naira to less than a quarter of the value of the dollar. It has led to loss of jobs. Parents are unable to meet their commitments to their children . . . Thus, IMF dictates sacrifices you must make
before the next loan comes, a loan which in most cases, you spend to meet your last indebtedness. And the last indebtedness, also in most cases, had to do with what you consumed through importations arising from allowing in your country consumer goods that undermine your attempts, if any, to industrialize. ... As at July 1986 when we decided to opt for the SAP, we had at least nine areas of extreme concern in our socio-economic posture: debt accumulation from the past severely compressed our external resources and we were a grovelling, beggarly nation in the corridors of financial creditors ...; many local-state governments could not pay salaries of their workers and where they were able, the payments were irregular; employers in both private and public sectors seemed to have no choice but to massively lay off workers in a desperate emotional bid to make ends meet; schools started closing not only because teachers could not be paid but also because the schools could not be funded ... (Ministry of Information and Culture, SAP: The Road Not Taken, 1988:3-10).

As the reduction and removal of government subsidies were being implemented, most or all of the service bureaucracies were thus required to produce with the criteria of profitability, and in addition to be self-sustaining. Subvention or government grants were either reduced or eliminated completely in some cases (See Chapter IV). These measures brought with them cuts in an already ailing public service delivery system. For instance, there were cuts in: public transportation in the large metropolitan areas, forestalling the construction of low-cost housing, while private developers assumed a dominant role in the housing sector, thus, pricing out the marginal urban groups in the housing market. Power supply has become a nightmare as N.E.P.A. continues with its nationwide 'load-shedding' (rationing) policy on electric supply to the general public. Water supply which depends mostly on imported machinery and equipment for drilling, production and delivery has become part of the daily struggle of house-wives and the urban-working class. Elimination of food subsidies gave rise to high food prices and scarcity. Finally, the
federal government austerity measures reached a turning point when massive students' unrest ignited over the removal of fuel subsidy and related products. In April of 1988, University students in different regions of the country took to the streets, mobilizing market traders, and protested what they termed oppressive and unjust measures against the masses by the federal government, while collaborating with the IMF. The spread of the protests across the country resulted in more repressive and violent measures by the federal government. Armed government police forces were moved into the university campuses to quell the disturbances. In the end, the official count of students killed by government forces was put at four, while unofficial estimate was twelve. All but a couple of Nigerian universities were shut down indefinitely by the federal government, while student leaders were detained without trial.

National solidarity with the students' uprising was demonstrated by various groups and labor unions. Following the clamp down on student protests, a nationwide strike was called (in July 1988) by the lecturers' union, the Academic Staff Union of Universities (ASUU) and other academic research institutes, demanding among others, the unconditional reopening of the universities that still remained closed at the time. The federal government, however, responded with additional repressive measures, including: disbandment of Nigerian Labor Congress (NLC), the proscription of ASUU—the union was barred from existence as a trade union (Vanguard, Lagos, July 12, 1988:7).

The adverse impact of SAP on urban public service delivery system, essential commodity prices and wages were still being felt by
the populace at the time of this research. SAP imposed by IMF and implemented by the Nigerian federal government contains a set of harsh economic measures that have detailed cuts in public sector expenditure, especially in those areas which IMF identify as 'non-productive'—examples include: essential urban public services, wages and other forms of subsidies.

Nevertheless, according to official government reports, SAP has restored the country's credit worthiness. It has enabled it to reschedule over $14 billion debts. However, Nigeria intellectuals observe that the price to be paid for this outcome is immeasurable. When long term development prospects are put into consideration, then the gain of credit worthiness becomes an illusion. While rescheduling of debt payment may accrue temporary economic relief, it has also led to an increase in the country's outstanding stock of external debt. Further-more, other analysts also observe that by government rescheduling and quest for more borrowing, the federal state is accumulating an unbearable debt burden for future governments—a situation that could form the basis for future economic and political crises. Under the present circumstances the country seems to be swimming against a tide, the force of which is well beyond its control (West Africa, August 1, 1988:1385).

THE POLICY OF PRIVATIZATION: A COMPARATIVE ANALYSIS

Privatization of State-owned enterprises falls among the policy responses by the Nigerian federal government in satisfying the requirements of SAP. As was discussed in Chapter IV, the federal State
has in recent years transformed several public service bureaucracies such as the F.H.A. and others into commercial corporations and parastatals, and as a result, their funding by the State has been drastically reduced, thus limiting public expenditure on urban services. Another outcome of this State policy becomes perhaps, on the one hand, the reorientation of service providing bureaucracies towards production and delivery of public services based upon the logic of profit, and on the other, consumers' access to such public services becomes overwhelmingly the ability to pay.

Another requirement of SAP was State cut-backs on those sectors in which the IMF has identified as 'non-productive', including among others, elimination of subsidies on public transportation, food, fuel, housing, health, education and reduction in wages which has often resulted in the deliberate creations and maintenance of growing unemployment and underemployment.

This policy approach of privatization as preached by the IMF and adopted by the federal government in response to the Nigerian debt crisis, and the ongoing economic depression in the country, suggests that government investment in urban public services is not conducive to the accumulation of capital, and as such, may be an obstacle to capitalist commodity production in the sphere of profit. What seems to be taking place in the country at the time of this study is the diversion of federal State investments into the 'productive' sectors of the economy in which readily profits could be derived and at the same time, creating favorable conditions for private capital (especially, foreign monopolies) investments in many sectors of commodity
production. The outcome which is fostering of capital accumulation (global) at the detriment of local provision of essential public services to the urban populace. Additional outcome of this privatization policy, is its attacks on the urban poor and the working class.

In the housing sector for example, bankers, land speculators, real estate and private developers overwhelmingly have come to dominate the housing market. The readily available housing types that private developers put up for sale on the open market are predominantly targeted to those groups in the higher income brackets, in order to reap higher returns on investments. It was learned that individuals or households' renters, especially in the large metropolitan areas such as Lagos, are usually required to make one-year lease payments before occupancy. The truism is that many people in the large metropolitan areas cannot afford shelter in such a housing market. The working-class and urban poor are constantly being priced out of the housing market. For the urban peasants, affordability of housing is a nightmare. With the working-class and the rest of the urban poor who, however, manage to secure shelter in the Lagos slums, over-crowding is common place. Many of these slums are completely inaccessible by road networks, and the inhabitants are isolated from essential urban public services, such as pipe-borne water, refuse collection and sewage disposal. There is no mention of fire or police protection here, because the authority would usually consider such services as luxury items for this group.
Increasingly, the policy impact of privatization has immensely contributed to changes which are occurring within the country including: the widening gap and inequality in the distribution of resources and wealth; the deepening aspect of segregation by class; and an unbearable deterioration in public service delivery system for most urban inhabitants because access to these services are being highly commodified via privatization.

The increasing privatization policy of essential public services, especially in housing delivery, is being applied by IMF on other developing countries without regard to the diversity that exists between them. As many Latin American observers have noted, the adverse global conditions affected both oil importers and exporters, leading to further indebtedness. This was particularly true for Chile and Argentina, which were engaged in monetarist liberalization programs, trebling their debt between 1978 and 1987 (Fishlow, 1985:113; Raw, 1987). The conditions attached to IMF funds and the resulting policies are the same all across the Third World: from Nigeria to Zambia and Peru to Brazil, and they are well known: devaluation, reduction of budget deficits, control of bank credit, liberalization of price, import and foreign exchange controls and a slow down in real wage increases (Raw, 1987:5). One of the strongest opposed assumptions that this approach makes is that, "It is best to rely on market forces to solve the existing problems" (Dell, 1984:157; Raw, 1987).

The increasing push on the implementation of market-oriented structural changes and the promotion by the IMF and World Bank on the privatization of public enterprises in one developing country after
another, ignores the structural differences between developing countries and developed countries. The pro-private-enterprise policies and market liberalization on public productive sector (e.g. housing) in the Third World, clearly suggests an imposition of British and American ideologies on these countries' domestic public policies. The underlying factors for this approach may be both for economic and political reasons—as the Western Alliance increasingly regards privatization as a stabilizing factor in channeling the National-State governments of the Third World on a Western-Liberal-Democratic tradition.

Elsewhere in the industrialized countries (Britain and the United States), the "welfare state" was supposed to increase social justice by redistributing the outcome of economic growth, mainly through State provision of public services and facilities. The development of such State intervention was interpreted either as a sign of the ethical function of the State, following and correcting the economic dynamism of the "capitalist market", or as a progressive mutation of society, from a capitalist to a so-called "corporate" (Preteceille, 1981:1).

Political as well as academic opponents suggest that, as the general woes of the capitalist economies increased in the last two world recession periods (1973-75 and 1979-82) of inflation, slow or non-existent growth, and rising unemployment, the fiscal crisis of the State merged with the larger economic crisis to provide a rationale for reducing the size of the State sector in a number of countries. In recent years Britain and the United States under Thatcherism and Reaganism respectively, have sought to restore the status quo ante of a
less prominent role for government in the realm of social production. The two conservative regimes have succeeded to some extent in transforming the State into a less active determinant of social arrangements. There is an agreement among these opponents, that we are in a new state of urban development, shaped by general, and in fact world-wide political-economic tendencies. The Reagan approach has so far been to allow capital to move of its own accord and to expect labor to do likewise (Fainstein and Fainstein, 1982:11-12).

In the British housing delivery sector for instance: following the post World War II development period, the entry of large-scale capital into housing became more feasible as economic growth and real incomes rose. This was accompanied by pressure for a consequential reorganization of social housing to a marginal role dealing with those who would not be catered for by private enterprise. In the United States, this was the situation from 1945 onwards. In Britain, given the accession to power of a conservative government committed to such policies in a quite explicit way, it began to occur in the 1950's (Harloe, 1981:42). The conservative housing policy in Britain, which gave private enterprise the leadway, involved, ending the system of licensing house-building and allocating materials. Local authority building was much reduced largely as a consequence of the abolition of subsidized loans through Public Works Loans Board. Authorities had to borrow on the open market, a requirement unusual in European countries. According to housing analysts, this meant that future governments would have precious little control over the housing sector. The reduction of
local authority building was popular among conservative supporters (Headey, 1978:142).

In recent years, increased retrenchment of urban public services and the privatization of housing sector have taken place under the conservative governments of Thatcher and Reagan. Recent studies (Hambleton, 1988) suggest that inner city regeneration in Britain is being led by the private sector, taking after the U.S. example. In the same work, Hambleton (1988) contends that the British government apparently is imposing the latest American ideas on British cities. For example, private enterprise is to be given the leading role in regenerating the inner city and the government will force local authorities to sell land for private development.

Other recent academic works (Preteceille, 1981; Harloe, 1981) have argued that urban public service delivery, as organized by the State in the advanced economies during the long postwar period of rapid capital accumulation had a positive outcome for capital while this type of economic growth was occurring. But with the economic crisis and the new investment strategies that are a response to it, employment and investment trends have changed, and the major public expenditures which contribute to the reproduction of skilled labor no longer match capitalists' interests in the same way. It is mainly at the level of the economy as a whole that this contradiction becomes most acute. First of all, the State provision of services and collective means of consumption, as well as indirect wages (social welfare, unemployment funds, etc.) involves extra public expenditure which is a burden on, and slows down, capital accumulation, partly via the taxation of
profits involved, and also because it diverts funds from alternative uses which are more helpful to capital accumulation. The crisis leads to more stress being placed on the need for public funds to be of direct assistance to capital accumulation (Preteceille, 1981:9).

The growing extension of the private market in housing, has embraced cutbacks on subsidies for and the production of social housing, and the switch from publicly led housing redevelopment to rehabilitation led by the private sector (Harloe, 1981:19). One of the major changes occurring in Britain and elsewhere, seems to be reorganization of State intervention to create or widen zones of profitability and make possible private capital investment in the sectors of consumption which are already socialized, or tendency to create the conditions for a "colonization" of these sectors by the logic of profit (Preteceille, 1981:10).

The dynamics of service delivery and urban politics are underscored in the link between finance capital and city government revenues. In the United States for example, Shefter (1985) suggests:

If local businessmen find that municipal taxes are too high, or if the public facilities and services the municipal government provides to their firms (or to their customers and employees) are inadequate to make the city an attractive place in which to do business, they may close down or leave town. Other firms, for the same reasons, may not take their place. Consequently, the city government may be deprived of revenues sufficient to finance its current activities—a problem in itself for public officials and a threat to their ability to continue providing their political supporters with the public benefits they expect . . . In seeking to serve a variety of interests, then, public officials are driven willy-nilly to pay heed to the interests of the city's most substantial taxpayers and its major employers.

In both Britain and the United States, it is in the interest of the business institutions to support a range of social investment by
local governments. Both systems have witnessed the mobilization of what Mollenkopf (1978) has referred to as pro-growth coalitions of public officials and corporate leaders who have pressed for significant public commitments to capital improvements and other social investment projects (Romanos, 1979; Stone, 1980; Rich, 1982). This investment socializes many of the costs of labor reproduction and infrastructure provision that would otherwise have to be borne by individual firms. As state production grows, however, it comes to play an increasingly important role in people's daily lives (Rich, 1982:195).

This outcome perhaps leads to issues of effective and equitable service delivery that become central to urban politics (Fainstein and Fainstein, 1974; Rich, 1982) and corporations always seek to avoid the threat to capital accumulation which may arise because of redistributive actions of the local state and city governments. Business institutions claim that redistributive intent in local governments bring about recession and stagnation, which may further give rise to shortfalls in local governments' revenue and consequently, fiscal crises. To avoid fiscal distress in the local arena, financial lending institutions on a continuous basis pressure for limited public services and retrenchment in public service delivery. With the little alternative that they possess, local governments in either Britain or United States have no choice but to comply.

In the urban arena political crises often manifest themselves as fiscal crises. Consequently, fiscal crises should be regarded not as aberrations but as an integral part of urban politics (Shefter, 1985:224). In pursuit of the economic interests of their individual
firms, capitalists make choices which set limits to the size of the local public sector and dictate the mix of services it will contain. They need not conspire or intend to do this, or even be aware of the consequences of their actions. The structural domination of capital is a product of the interdependence that exists between the fiscal condition of local governments and the economic health of their home industries (Watkins, 1980; Rich, 1982).

SUMMARY

This chapter has examined in a broader theoretical perspective the issues of resources and their allocation in the Third World; bringing to bear the choice of development and industrialization policies adopted by these countries; capital accumulation; global liberalization policies; and their adverse impact on public sector financing. Industrialization by import-substitution has produced distortions in popular development and has left these countries bankrupt and debtor nations. Third World industrialization created broad attraction of external financial resources (loans, credits), and expansion of imports of foreign technique and technology, thus deepening these countries' further involvement in the international division of labor as junior super exploited partners. As a result, poverty and underdevelopment are reproduced.

The analysis raises the specific significance expressed generally in the linkages between Third World export sector, State revenues and public sector financing. The willingness of the Nigerian federal government to privatize public enterprises, and its diversion of public
revenues into the 'productive' sector demonstrate the strong link between foreign capital, fiscal capacity of the federal state and public expenditure patterns.

The increased commercialization of the world economy and the privatization of the public sector and locally provided public services suggests further retrenchment in urban public services and a service delivery being based more on effective demand — especially in housing.

In Nigerian social context, the reality of the present condition is one of deterioration. One may conclude that the classification by the federal state of urban public services within the category of 'non-productive' sector or as social overheads, will produce more neglect and their relegation to the back burner of policy-making. This outcome defines the place of locally provided public services in Nigerian political economy. Other conclusions that may be drawn from the study include the following: First, water service delivery pattern in Festac is explained by spatial dimension, i.e., the distance relative to the location of P.H.A. Water Works, and as well as, income and status of the individual household; the chronic shortage of water supply in Festac is explained by the initial cut-off of supply from Ishasi Water Works, but more significantly, it is explained by technology and infrastructural dependence. Second, the prevailing scarcity of urban public services and the low production capacity of public service delivery system, both in Lagos and Festac regions are best explained by structural factors than either clientelism or bureaucratic decision rules. The most compelling of the structural factors are, excessive
reliance on foreign techniques and expertise; and the dependence on mobil capital for public sector financing.

In the final analysis, however, the fiscal capacity of the Nigerian federal state would determine to a considerable extent public sector financing and consequently the mix and level of urban public service production and distribution. The analysis also suggests that there are significant similarities and important parallels between the business institutions and local city governments in the industrialized countries (e.g., United States and Britain) today and the international financial lending institutions (IMF, etc.) and the national governments of the Third World. These similarities are expressed in the link between mobil capital and these governments' operating revenues, and consequently, the size, scope, and the local public sector financing.
NOTES

1 100 Kobo = 1 Naira (N).

2 By December 1983, with low oil revenue inflow; runaway inflation which accompanied the acute shortage of food items; over six-month back-pay of workers; massive lay-offs and high unemployment, internal contradictions in Nigerian political economy came to the fore. On New Year's Eve of 1983, military officers who had the organization and weapons, hijacked the federal state apparatus in a military coup, in the pretext of rescuing the nation from corrupt civilian politicians.

3 President Shagari was overthrown in a military coup about two months later.
CHAPTER VI

CRITICAL ANALYSIS, POLICY CONSIDERATIONS
AND CONCLUSION

The study, thus far, has examined the problems of the prevailing scarcity of urban public services within the general context of a developing economy, and the conceptual relations among service delivery, patronage, bureaucratic activities and structural factors in the Lagos metropolitan region. It has as well examined the extent to which clientelism, bureaucratic decision rules and structural theoretical models explain water delivery patterns in Festival Town, Nigeria.

Relying basically on Structural (political economy) approach, in addition to the complementarity of Clientelism and Bureaucratic Decision Rules, the study developed a three-fold analyses in order to identify the fundamental factors in the prevailing scarcity of urban public services in a Third World setting, Nigeria: First, locally conceived factors and issues were empirically examined through various analytical tools in order to capture: the extent to which Clientelist relations, and the role that the service-providing bureaucracy (F.H.A.) plays in determining water service delivery patterns in Festival Town. Further validity check on the public service outcome in this context was provided by extending the research analysis beyond the locality of Festac, to include three other regions of the country, while retaining the same variables. Second, the persisting problems in urban public
service delivery system were examined within the larger context of Nigerian political economy, seeking in Structural analysis, a better conceptualization of the role of the federal State to activities at the local level and the provision of public services. Power relations and fiscal capacity of service bureaucracies were also examined to further understand their roles in shaping service delivery patterns. Third, the study examined the problems of locally provided urban public services and resource allocation in the developing economies from a broad-spectrum of global perspective, focusing the analysis from the post-World War II period onward, of industrialization development policies in the Third World and the role (place) of the developing countries in the International Division of Labor, and the extent to which these factors effect the outcome of locally provided public services.

Central to the problem of public service delivery system in the Lagos metropolitan region is highlighted in the classification by the Nigerian federal state of urban public services as 'non-productive' sectors, and as a result, public expenditures, technological and infrastructural investments are diverted to the 'more-productive' sectors--thus, the outcome is a revenue starved public sector, fiscal stress and declining performance of F.H.A. and other service-providing bureaucracies. Similarly, the major contributing factors to the prevailing scarcity of water supply and water related services in Festac include: technology and infrastructural dependence and dwindling federal state revenues; all of which exacerbate the internal
production of essential urban public services, thus making delivery problematic.

The link between bilateral and multilateral financial institutions and the Nigerian federal state underlines the chronic dependence on mobil capital for local public sector financing. In making promotion of economic growth a priority, and by adopting economic policies involving huge capital expenditures, Nigeria became more vulnerable to severe exogenous shocks. The subsequent administrations in recent years have increasingly been unable to maintain a functioning local economy. Consequently, austerity measures in the domestic policies have been required by international creditors in exchange for new loans and debt-rescheduling.

Given the sharp drop in Nigerian exchange reserves to low levels and declining export earnings, IMF and other lending institutions increasingly dictate to the Nigerian federal state as to the limits of any redistributive intent as not to threaten private capital accumulation. This harmonization of the Nigerian federal government and the international lending institutions is further maintained and enforced by a centralized Nigerian political system that excludes representativeness of government, and is fostered by a financing system that removes decisions about budget allocation, investments and social capital expenditures away from any amount of political input from the governed. At the same time, social order is maintained by intimidation, propaganda and violence.

However, the growing crisis in the Nigerian public service delivery system and the chaotic state of the local economy are not
simply the results of isolated recurring events unique to the 'post-independent' Nigeria, but rather are manifestations of the structural limitations in the Nigerian political economy.

THE CONTEMPORARY PROBLEMS: PERIPHERAL CAPITALISM AND UNDERDEVELOPMENT

Speaking recently to the Inter-Press Service (IPS) in Dakar, Senegal, Samir Amin pointed out:

The Third World can never repay its foreign debt, and the only question is whether it will continue to be used as a club to make developing countries submit to creditor country policies. . . . Debt is not the only form of pressure exerted by the west. Wars for example, do not just happen. They are part of a strategy designed to align the Third World. In the case of Africa, we can even speak of recolonization . . . The one-trillion-dollar plus debt load of the Third World is the result of a strategy to bring the world under the control of the pure logic of the world expansion of capital. Resulting from this is a flow of capital from the periphery to the center, that is from South to North, which is equal to 7 or 8 percent of Gross National Product in Brazil and India and up to 17 percent in Senegal. The Third World's foreign balance of payments deficit is structural, chronic, acute cries occur in some of its phases (Cited in National Concord (Lagos), July 23, 1988:6).

It is not enough, as the outcome of the study tends to suggest, to conceive the adverse economic conditions; the deterioration in service delivery system; and the problems of internal production and distribution of resources in Nigeria and elsewhere in the Third World as outcome of patron-client relations, or inefficiency and mismanagement on the part of local service-providing bureaucracy. A better understanding of the contemporary problems in public service production, and delivery in the Third World therefore, calls for an extension of the analysis beyond these points of locally conceived issues, to include an examination of the inherent structural
contradictions in the social, economic and political relations that confront these developing countries as they struggle to transform their societies from agrarian to urban cultures.

The urban public service delivery system in Nigerian social context and elsewhere in the Third World is an integral part of urbanization, industrialization and economic development processes of these countries. The patterns of these processes are in part reflections of the manner in which these countries were incorporated into the world economic system. The European colonization and commercial expansionism in the Third World marked the very beginning of this incorporation. As the work of Gilbert and Gugler (1981) have shown the impact of European expansion from the Sixteenth Century onward transformed urban structures in the Third World. The functions and forms of contemporary Third World cities cannot be understood without a consideration of this process (Gilbert and Gugler, 1981:13).

The transformation of the Third World from precapitalist (traditional) formations to peripheral capitalism, which was an onslaught from without, by means of trade, and carried out by the capitalist mode of production produced crucial retrogressions, such as the ruin of the handicraft production without their being replaced by local industrial production. The result of these setbacks include among others: the current agrarian crisis of the Third World, and unequal international specialization which is manifested in the distortion of development, production and infrastructural investment techniques toward export activities, thus the level of development of productive forces becomes heterogeneous—advanced in the export sector
and backward in the rest of the economy. Under these circumstances underdevelopment is maintained in the Third World, and it is this condition that enables the export sector to avail itself of cheap labor power (Amin, 1976:200).

Amin (1976) vehemently argues:

Underdevelopment is manifested not in the level of production per head, but in certain characteristic structural features that oblige us not to confuse the underdeveloped countries with the now-advanced countries as they were at an early stage of their development. These features are: (1) the extreme unevenness that is typical of the distribution of productivities in the periphery, and in the system of prices transmitted to it from the center, which results from the distinctive nature of the peripheral formations and largely dictates the structure of the distribution of income in these formations; (2) the disarticulation due to the adjustment of the orientation of production in the periphery to the needs of the center, which prevents the transmission of the benefits of economic progress from the poles of development to the economy as a whole; and (3) economic domination by the center, which is expressed in the forms of international specialization (the structures of world trade in which the center shapes the periphery in accordance with its own needs) and in the dependence of the structures whereby growth in the periphery is financed—the dynamic of the accumulation of foreign capital (Amin, 1976: 201-202)

Thus, the means of financing urban economic development in the Third World are to great extent through foreign capital (external aid, foreign investments, etc.). This outcome suggests that the pace, direction and level of development will considerably depend on those who provide the funds. At the same time the national states of the Third World remain weak and partially integrated. But Capital accumulators in the core (industrialized) zones have generally wanted strong states at home, but they have also wanted states in the peripheral zones—states weak enough that the peripheral states do not have the power to set the terms of the flow of factors of production,
yet strong enough to guarantee this flow against the interference of local potentates or the resistance of the local work force (Wallerstein, 1982:27).

The subtle and complex relationships that exist between public production of services and urban development patterns and which consequently shape service delivery system in profound ways, thus suggest that as long as productive infrastructural investments in the Third World are biased toward enclave export (more-productive) sectors, any systematic attempt at national comprehensive development of a workable public service delivery system will be seriously undermined. These export sectors serve neither the development of mass consumption goods nor essential urban public services. Infrastructural and technological dependence and the domination of transnational firms reinforce these development patterns in the Third World. As Wallerstein (1982) points out: 'Each advance in technology pushes us to extend the commodification of real goods and services' (Wallerstein, 1982:24).

From these historical experiences of the periphery we can conclude that as development - that is, the development of under-development proceeds, the balance of payments of the periphery tends to worsen, both because the periphery passes from the 'young borrower' to the 'old borrower' stage and because the increasing commercialization of the economy, in the setting of unequal international specialization, gives rise to growing waves of imports, induced, indirect and secondary (Amin, 1980:250).
As has been previously discussed in the preceding chapter, the 1970's have witnessed intensified market liberalization demands of the IMF in its structural programs for the Third World—programs which include, among others, "removal of barriers to capital movements into and out of Third World countries, a lowering of wages and government spending on social programs and the reorientation of domestic production toward exports" (Burkett, 1987:15). The dramatic increase in privatization (commodification) of essential goods and services and the insertion of resource allocation into the faulty market mechanism, suggest that such typical capitalist problems as depression, inflation, income inequality, and the imbalance between public and private provisions will continue to stalk the Third World for decades to come. Heilbroner (1980) provides a good summary on the contemporary problems in the underdeveloped countries, as reflections of the disruptive entrance of capitalism and the pre-mature destruction of their traditional mode of production:

The history of capitalism has been a chronicle of economic expansion interrupted and accompanied by the kinds of malfunctions that derive precisely from the absence of a mechanism capable of bringing the private aims of capital into harmony with the social needs of the community. . . The internationalization of capital today testifies to the extraordinary power of capital as self-expanding value - that is to the imperative need for economic organizations. . . As a consequence, capital moves around the planet in startling fashion, transplanting its centers of manufacturing to cheap 'backward' areas, treating the entire globe as one unified potential market. The multinational corporation is of course the fullest expression of this thrust. . . The anarchic aspects of this movement are so evident as scarcely to require exposition. Technology is introduced into pre-industrial areas with no regard for the needs of the population, but only for those of capital. Populations are pressed into new occupations without heed for the effect on their health, economic security or opportunities for development, but again solely to serve the requirements of expansive capital. Governments are cajoled and
pressured to adopt policies, both with respect to 'home' and 'host' nations, that facilitate the process of internationalization of capital, justified not by broad consideration of human requirements around the globe, but according to a calculus of 'economic efficiency' that is measured exclusively by the touchstone of profitability (Heilbroner, 1980:132-133).

Policy Issues

At the time of this research, Nigerian urban public service delivery system remains underdeveloped and in poor operating conditions. In Festival Town as well, the F.H.A. is going through readjustments: massive lay-offs; utilization of casual (temporary) workers—thus maintaining underemployment; and privatization of most or all public services, while water production system operates at barely 35% capacity. In the country as a whole, high world interest rates, weak export markets in the West, the slump in commodity prices and declining financial flows are all taking their toll. Debts, interest payments and areas are all rising sharply. While IMF adjustment programmes have multiplied, little attention is being paid to employment, incomes and essential urban public services (health, education, transportation, housing, power and water supplies, etc.). Drastic cuts of these services continue to take place. Inflation remains high. Therefore, any public service policy recommendations will take into consideration very seriously the fiscal question. It is therefore, within this context that the policy issues will be examined.

As the results of the study clearly suggest, the prevailing scarcity of water supply in Festival Town or the problems of urban public service delivery system in Nigeria are not the outcome of such factors as patron-client relations nor service decision rules, but
rather are rooted in its social, political and economic structure. The inability for the federal state to reconcile and simultaneously resolve its necessity to increase domestic accumulation and the limited nature of the material and financial resources available continue to constrain the internal production and distribution of resources. Some recent measures taken by the federal government to stem the economic crisis resulted in deeper crisis. Measures such as: high prices for farm products meant food scarcity for many urban dwellers; devaluation of the local currency may relatively have created jobs in the export sectors, but massive lay-offs and unemployment resulted in the import and public sectors; shifts in resources in local investments meant redundancies in the local service bureaucrats and cuts in public services and other subsidized goods.

Very recently, the Nigerian Economic and Planning Minister, Alhaji Abubakar Alhaji argued:

Nigeria should be reclassified as a debt-distressed country. Falling world oil prices mean export revenues could be as low as U.S. $6-billion this year, about a quarter of their level in 1980; without a rescheduling service could take well over half-export earning (Cited in South, December 1988:6).

A Washington-based Population Crisis Committee carried out a study recently, in 1987, comparing conditions under which people live in selected 130 countries. The study shows that the inhabitants of 111 nations were better off than Nigerians, placing Nigeria at the 19th position on the hardship index because, among other things, less than 70% of the population has access to the required daily intake of calories; at least three out of every 100 people move out of the rural areas into the cities; and the country cannot afford to spend more than
$600 per citizen per year. According to the study, suffering in Nigeria is not just restricted to the inability to have three square meals a day. The performance of the public utility departments is at best uniformly erratic. At worst, the departments do not function at all for days on end. It found that less than 35% of Nigerians have access to clean drinking water, and energy sources available to the majority of the population are still largely from environmentally costly primary sources.

Under the present circumstances in the country, any effort in policy recommendations requires the rethinking of previous policy approaches in the productive infrastructural investments. More than that, it calls for a redefinition of a realistic economic relations among nation states—i.e. between those that have a monopoly control over the productive forces and those that do not. It also demands a redefinition of urban development objectives in Nigeria and elsewhere in the Third World.

Urbanization, industrialization and economic development policies in Nigeria should be comprehensive, and thus, embrace all sectors: from agrarian production to popular development that meets the needs of city dwellers, especially in those areas that directly affect their quality of lives. As the world arena becomes intertwined in all aspects of life (Educational, Cultural Exchanges, Art, Entertainment, Social, Political and Economical), the subordination and the exploitation of the developing countries to the financial dictates of the developed countries and the transnational monopolies, should be rejected.
CONCLUSION

From the foregoing analysis, the intent of this research has been to understand and explain the underlying factors in the prevailing scarcity of essential urban public services in a developing country. Comparative social science research is replete with the problems of chronic scarcity of urban public services in the cities of the developing economies. However, previous studies have tended to emphasize on clientelist relations as the over-riding mode of service allocation in Africa, Latin America and other developing economies, with Africa displaying strong ethnic linkages. This typology has proven to be so broad as to exclude practically nothing. Its conclusive evidence negates modern institutional governmental structures, bureaucratic and class formations and their impact on service delivery outcome in African urban context.

On the other hand, the rapid urbanization in the Third World has increased the demands for management and regulation of a number of services that are performed by bureaucratic agencies. Therefore, any examination of service allocation in the regions of the developing economies requires the analysis of the role that the service providing bureaucracy plays in determining service delivery patterns.

Furthermore, economically and politically, the countries of the Third World are underdeveloped, and to a very significant extent, dependent on outside capitalists for their investment needs, and which in turn effect the outcome of internal allocation of resources. The structural approach, in essence, recognizes the existence of various interrelated levels of social organization: economic, political and
social. Thus, it provided the basic foundation upon which the study examined the interplay between internal and external structures in the analysis of underdevelopment and the problems of locally provided public goods and services, and the role of the federal state in local service delivery.

The complementarity of these three theoretical models enabled the study to produce an enhanced understanding of the enormous problem that confronts local provision of public services that goes beyond such issues as patron-client model of association. The study, in effect, demonstrates the significance of the specific articulation expressed in the link between the export sector, fiscal capacity of the state and public expenditure patterns in a developing economy. Another significant conclusion of the study is underscored in the link between mobil capital and operating revenues of the Nigerian federal state, and consequently, the size and scope of local public sector financing.

Similarly, another significant outcome of this analytical approach is that, it enabled the study to raise very important questions and issues of what may also be occurring elsewhere in the Third World in the public sector which are having impact on locally provided public services. The issues raised, thus suggest that the problems of public services and urban underdevelopment in the Third World are the consequences of a local economy that is misdeveloped and deformed by its orientation to external demands and profits of the social-class closely linked to those demands.

The individualized pattern of access to water supply and water related services by the elite segment of Nigerian population exacerbate
any attempts at a broad coordinated water supply network for all urban residents. In addition, the increasing privatization of urban public services; market liberalization policies; and the investment bias toward the export sector, in effect, endanger public sector financing and consequently poor operating performance of the public service delivery system. This piece meal economic policy ('quick fix') approach will bring neither revitalization to the Nigerian economy nor to the public service delivery system. Appropriate policy should be a design that will produce a functional public service sector which adequately operates alongside the 'productive' sector.

The study recommends that if the Nigerian economy is to develop or recover and become sustainable in the long run, with an operational public service sector and delivery system, policies should be adopted which largely depend on existing internal resources. Thus, it requires institutional change; and the restructuring of the existing economic and political relations—both internally and externally. Development and resource allocation should involve more participatory democratic political process. Capital accumulation in the development process should be re-invested directly to those sectors and activities that directly affect the quality of lives of the local residents, while at the same time creating a viable local economy. Similarly, it calls for internal production and distribution of resources that reach beyond the rules of the market; but rather, by a direct assessment of needs and requirements in respect of essential goods and services: water, food, health, housing, and education.
NOTES

GENERAL REFERENCES


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"Political Economy of World Urban Systems: Directions for Comparative Research." In Walton and Masotti (Eds.), The City in Comparative Perspective. Sage.


NIGERIAN FEDERAL GOVERNMENT DOCUMENTS


FEDERAL HOUSING AUTHORITY DOCUMENTS


NEWSPAPER AND MAGAZINE REFERENCES


APPENDIX A

QUESTIONNAIRES
QUESTIONNAIRE FOR THE LOCAL RESIDENTS

* Who would you talk to if you wanted to get a standpipe in front of your house?
* Who would you talk to if you wanted to complain about water shortage?
* What did you do to get a standpipe installed in front of your house?
* What would you have done in your old neighborhood to get a standpipe installed?
* Who would you talk to about water shortage in your old neighborhood?
* Do you belong to any neighborhood association?
QUESTIONNAIRE FOR THE BUREAUCRATIC OFFICIALS

How do you determine the water-service level - i.e., the on-and-off again occurrence of water-supply?

How do you determine the distribution of standpipes around Festival Town?

How do you determine what areas would receive new services, improved services or denial of services?

Is the water-supply policy formulated and implemented internally within the organization (F.H.A.)?

What are the factors that constrain regularity of water-service delivery in Festival Town?

Are their neighborhood associations in Festival Town that influence water-service delivery outcome?

To what extent is the outcome of water-service delivery policy influenced by external structures outside the organization (F.H.A)?
APPENDIX B

HOUSING PAYMENT SCHEDULE
FOR FESTIVAL TOWN

(Amounts are expressed in Naira)
## Federal Housing Authority-Finance Department (Mortgage Division) Housing Repayment Schedule

<table>
<thead>
<tr>
<th>House Type</th>
<th>Price (Principal)</th>
<th>Interest</th>
<th>Depayment Amount</th>
<th>Price (Principal)</th>
<th>Interest</th>
<th>Depayment Amount</th>
<th>Price (Principal)</th>
<th>Interest</th>
<th>Depayment Amount</th>
<th>Tenement Rate</th>
<th>Description of House/Housing Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-60</td>
<td>$8,000.00</td>
<td>$4,137.00</td>
<td>$13,177.00</td>
<td>$298.67</td>
<td>$381.33</td>
<td>$680.00</td>
<td>$24.73</td>
<td>$1.30</td>
<td>$17.00</td>
<td>6%</td>
<td>One Bedroom Flat (21 Units in a Block)</td>
</tr>
<tr>
<td>01-62</td>
<td>$12,400.00</td>
<td>$6,872.00</td>
<td>$19,172.00</td>
<td>$433.33</td>
<td>$621.07</td>
<td>$1,054.00</td>
<td>$34.44</td>
<td>$2.26</td>
<td>$22.70</td>
<td>6%</td>
<td>Two Bedroom Flat (16 Units in a Block)</td>
</tr>
<tr>
<td>03-TI</td>
<td>$17,700.00</td>
<td>$9,341.00</td>
<td>$26,341.00</td>
<td>$530.00</td>
<td>$706.90</td>
<td>$1,236.90</td>
<td>$48.19</td>
<td>$2.84</td>
<td>$26.04</td>
<td>6%</td>
<td>Two Bedroom Terraced Duplex-Without Garage</td>
</tr>
<tr>
<td>03-T2</td>
<td>$17,700.00</td>
<td>$9,341.00</td>
<td>$26,341.00</td>
<td>$530.00</td>
<td>$706.90</td>
<td>$1,236.90</td>
<td>$48.19</td>
<td>$2.84</td>
<td>$26.04</td>
<td>6%</td>
<td>Two Bedroom Terraced Duplex-With Garage</td>
</tr>
<tr>
<td>05-T3</td>
<td>$16,500.00</td>
<td>$8,745.00</td>
<td>$25,245.00</td>
<td>$550.00</td>
<td>$735.50</td>
<td>$1,285.50</td>
<td>$46.03</td>
<td>$3.24</td>
<td>$28.42</td>
<td>6%</td>
<td>Three Bedroom Flat in Two Bedroom Block of Flats (top 01 above)</td>
</tr>
<tr>
<td>06-00</td>
<td>$19,200.00</td>
<td>$10,229.00</td>
<td>$30,929.00</td>
<td>$643.37</td>
<td>$940.37</td>
<td>$1,580.37</td>
<td>$53.62</td>
<td>$3.62</td>
<td>$30.62</td>
<td>6%</td>
<td>Three Bedroom Standard Flat (15 in a Block)</td>
</tr>
<tr>
<td>07-01</td>
<td>$28,000.00</td>
<td>$16,846.00</td>
<td>$43,846.00</td>
<td>$940.00</td>
<td>$1,432.20</td>
<td>$2,372.20</td>
<td>$88.33</td>
<td>$5.52</td>
<td>$41.93</td>
<td>6%</td>
<td>Three Bedroom Terraced Duplex</td>
</tr>
<tr>
<td>08-02</td>
<td>$56,200.00</td>
<td>$30,113.00</td>
<td>$85,113.00</td>
<td>$1,070.00</td>
<td>$1,571.10</td>
<td>$3,141.10</td>
<td>$155.83</td>
<td>$10.29</td>
<td>$52.61</td>
<td>6%</td>
<td>Three Bedroom Attached Two Story House</td>
</tr>
<tr>
<td>09-03</td>
<td>$91,200.00</td>
<td>$48,495.00</td>
<td>$139,495.00</td>
<td>$3,050.00</td>
<td>$4,666.50</td>
<td>$8,716.50</td>
<td>$254.17</td>
<td>$17.41</td>
<td>$308.08</td>
<td>6%</td>
<td>Three Bedroom Detached Two Story House</td>
</tr>
<tr>
<td>10-04</td>
<td>$126,300.00</td>
<td>$66,939.00</td>
<td>$192,939.00</td>
<td>$4,210.00</td>
<td>$6,441.30</td>
<td>$10,651.30</td>
<td>$358.43</td>
<td>$23.97</td>
<td>$536.76</td>
<td>6%</td>
<td>Four Bedroom Attached Two Story House</td>
</tr>
</tbody>
</table>

*Annuity (Single rate) 30 years at 6% gives 0.0540193. Hence .051 is used as the Multiplier of the Principal to arrive at the Annual Repayment.*
APPENDIX C

AERIAL MAP OF FESTAC
FEDERAL HOUSING AUTHORITY