



# Theory of Social Production and Socio-economic Issues in Low Income Housing in Ogbere, Ibadan

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## Abstract

The paper argues that low income housing is socially produced in different social contexts and examines the socio-economic issues in the social production of low income housing. It also presents some results of a case study in Nigeria to explain and understand housing production by low income people despite their marginalization and exclusion. Knowledge of how low income people produce houses and understanding the underlying motivation for house ownership in different social contexts is critical for policy

Keywords: low income; social production; social context; housing policy

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DOI: <https://doi.org/10.21834/jabs.v3i7.264>

## **1.0 Introduction**

The socio-economic environments in which low income people live inhibit their survival and affects housing access to them. Environments in Africa, Asia and Latin America are worse off due to increasing urbanization levels. Growth in poverty levels occurs in environments in which a few are living in affluence. The poor majority and the rich minority are created by the exclusive and inclusive forces co-existing in space. This contrast is more pronounced in the developing world including Nigeria and especially in the realm of housing. The housing market idea predicts that the residue of houses after the high and the middle income has been satisfied is meant for the low income. The shortfall in housing supply and the competitive environment practically excludes low income people from house ownership. The exclusion of low income people is not only economic it is multi-dimensional. It has financial, social, technological and political dimensions. Despite being excluded some low income people in urban areas are able to overcome this alienation to become house owners. House ownership is attained by deploying a multi-dimensional response that is better examined through the theory of social production. Some studies focus on the economic, financial and political obstacles of low income people in the housing process. Other studies focus on the resources available to them. These obstacles are context specific and resources that low income people possess vary in different locations. Therefore, low income housing should be examined in different social contexts. Also, how the few low income people that become house owners overcome their marginalized state vary in different contexts. In this case study, how they managed to produce houses in the absence of state aid or institutional help is examined to inform future housing policy. This is necessary in order not to emasculate the production of houses by the usual top-down policies of the experts. These policies protect the interest of high income groups as a common interest. The theory of social production allows an examination of the multi-dimensional issues in low income housing.

## **2.0 Literature Review**

This review examines the theory of social production in relation to housing with special focus on the socio-economic issues in low income housing production.

### **The theory of social production**

Literarily nothing exists unless it is produced. The Marxist idea of production emphasizes the economic exploitation of the poor by the rich. However, Lefebvre (1991) conceptualizes production beyond economic issues to include products like artistic forms, built environment and the social relations of production. These products also depend on more than the operation of abstract economic laws and social structures (Butler, 2003). Transformation of the natural environment to the built environment involves human agency and some form of relations will necessarily take place. In social theory, human activities are differentiated from natural events in that they cannot be treated as though they are determined by causes. Individuals and institutions create a society at the same time as they are created by it (Giddens, 1986). Theoretical approaches in studying the built environment should focus on specific questions on how the society produces the built environment and how the built environment reproduces society. In addition, the role that history and social institutions play

in generating the built environment and the relationship between space and power is necessary (Lawrence & Low, 1990). Lefebvre sought to understand how any portion of space including the built environment is produced by human agency thereby linking the social character of space with the physical and mental. Also, Lefebvre introduced the concept of social space- where space is both lived and produced (Butler, 2003). Lefebvre contend that people create the space in which they make their lives, and it is a project shaped by interest of classes, experts, the grassroots and other contending forces (Boano et al, 2011). The built environment is a product of human building activity, and housing is a sector of it. Housing and indeed low income housing is therefore, socially produced. However, production takes place in varying condition in different contexts. Studies of social production of built form necessarily focus on the social, political and economic forces that produce the built environment and also the impact of the socially produced built environment on social action (Lawrence & Low, 1990). Also, the phrase 'socially produced' subsumes economic, technological, social, political, cultural influences and determinants (King, 1984). Social production of low income housing has to be examined in as many contexts as desired to understand the appropriate housing policy intervention. This is a significant drain of scarce resources since multiple issues have to be examined simultaneously to explain social production of low income housing in different contexts. Many of the diverse issues may be examined though not exhaustively under social and economic issues in the social production of low income housing production.

### **Socio-economic issues in low income housing production**

Poor housing conditions and lack of basic services are not adequately accounted for in the scale and depth of poverty in Africa, Asia and Latin America. Poverty is often estimated by income levels and consumption levels, and the income based poverty lines used to make these estimates are set too low in relation to the cost of basic needs in most urban centres (Satterthwaite, 2003). For example, Nigeria whose economy is growing at 3.5% had a housing deficit of 8 million units in 1991, 12 to 14 million units in 2007 and 16 to 17 million units in 2008 (Financial System Strategy 2020, 2008). The housing problem in developing countries is more quantitative than qualitative due to the high rate of urbanization and the wide gap between the demand and supply of houses. In Nigeria as in some countries of the developing world, most of the population engage in private production of housing. The informal sector provides 90% of the housing stock (UN-HABITAT, 2006). This is in a context of abundant earnings from petroleum but mismanagement and misallocation of earnings from this natural resource. Housing for all income groups is a socio-economic right. Waldron (1993) cited in Attoh (2011) differentiated between first, second and third generation rights. Third generation rights are the rights attached to communities, peoples and groups. The right to housing is one of the second generation rights that are necessary to start the debate on first generation rights to liberty, freedom and free expression. This is seen as a step to combat inequality and material poverty. Attoh (2011) in opposition to Marcuse's (2008) assertion that the right to the city is a socio-economic right to housing asks the question 'is it a right above and beyond democratic control'. Democracy despite being regarded as government of the people by the people and for the people actually shapes spatial change by the desires of

conflicting but dominant privileged minorities (Boano et al, 2011). The usual approach of government when exercising democratic interventions in low income housing is to provide standardized houses. In the developed world, most of these standardized units are provided by public authorities or by private organisations induced by some form of financial subsidy. Most of these houses have imaginary users since they discountenance the socio-economic and cultural characteristics of the intended users. Housing needs and the ways in which they are satisfied are constructed and reconstructed daily on the basis of economic, social, political and ideological determinants (Coulomb et al, 1991 cited in Walker, 2001). Human needs for housing are therefore, not simply inherent, they are developed within socio-cultural contexts (Walker, 2001). In the United States, most houses are still built for nuclear families that make up a declining percentage of the population since 1980 (Frank & Ahrentzen, 1989). Private socially produced housing is diverse, of varied standards, admirably adjusted to the need of the users and not socially alienating (Turner, 1982). The producers also utilize all resources at their disposal beyond finance to achieve the desire of attaining housing. These financial and other resources utilized are context specific.

Financing low income housing and the financial value of the end product of the housing process has been an area of interest to researchers. In a contemporary economy, what is obtainable is a series of distinctive housing sub markets in the highly complex urban housing market to cater for the needs and aspirations of different socio-economic groups (Knox & Pinch, 2000). These sub markets come with different financial arrangement for the income groups in society. A dichotomy exists in the financial market between the rich and the poor in market economies throughout the world as a result of financial exclusion. Financial exclusion enhances the economic vulnerability of the poor which if otherwise may have being instrumental to overcoming poverty (Buckland & Dong, 2008). Notwithstanding their financial exclusion in different contexts some low income people are able to socially produce houses for themselves. Studies have not identified the peculiar socio-economic characteristics of such low income people. Also, alternate resources and processes employed to overcome financial exclusion are not well known. The processes employed also include varying techniques, materials and technology of actually constructing the building.

There is a tendency to conceive low income housing in traditional, grass- root materials and indigenous techniques. Hamdi (1991) refers to them as outmoded technologies that the grass- roots itself resented or are not interested in. In some user participation projects, poor people rejected new, cheaper materials like self-made soil cement blocks (Skinner & Rodell, 1983). However rural methods of building, social clustering and communal organization using locally available materials are more successful than those officially run by government bureaucracies using alien methods (Cain et al, 1976 in Mitchell & Bevan, 1992). Modern technologies with industrialised building systems have the potential to erase all quantitative problems in housing. However the technology of low income housing should be acceptable, economically sustainable and tailored to the means and resources of low income people in different contexts. The factor of economic viability is what led to the suggestion that home ownership should be ruled out for the low income.

Many factors that are claimed to affect tenure choice fall in the ambit of traditional economic and financial theory. They include the cost of ownership versus rent prices and tax

considerations. Others are wealth, income and borrowing constraints (Haurin et al, 1997; Hendershott & White, 2000; Goodman, 2003 cited in Ben-Shahar, 2007). On the other hand, people's decisions are affected at least in part by social, rather than rational or economic considerations (Case & Shiller, 1988). Also, psychological effects act as the underlying forces for determining the apparent economic tenure decision (Ben-Shahar, 2007). These dictate understanding the motivation for social production of low income housing in different social contexts to give direction to housing policy

### **3.0 Methodology**

Ogbere, one of the low income settlements on the outskirts of Ibadan city was chosen as a case study to allow for intensive explanation and description. A multiple mixed research method that involved collection of qualitative and quantitative data was used. This method accepts that there are singular and multiple realities that are open to empirical inquiry. It also orients itself towards solving practical problems in the real world (Creswell & Clano Plark, 2007 in Feilzer, 2010). This case study while completely magnifying all issues in the context of the study area in Ibadan is unsuitable for generalisations elsewhere. Multiple techniques of questionnaires, in depth interview and observation were used to collect quantitative and qualitative data from fifty per cent (no= 926) of the owner-occupiers, and houses in the study area. The questionnaire solicited information on personal and other residents' socio-economic characteristics, family residential history, resources deployed and the process of housing production. The target was to select 25 of the housing producers who were willing informants for in-depth interviews. However, by the 18th interview there was no new information, so interviews were stopped. The interview schedule solicited information about the people, and the whole production process. Quantitative data were subjected to inferential and descriptive statistics while qualitative data were subjected to content analysis.

### **4.0 Findings and Discussion**

Low income people in Ogbere exert their claim to the city by deploying resources negotiated from different economic periods in the social context to achieve the desire of housing in their hometown. This is presented in two subsections below.

#### **The growth and spatial development of Ogbere**

Ogbere is one of the informal settlements on the outskirts of Ibadan city where the low income has been exercising their socio-economic right to housing in the city by housing production for about 96years. The rate of growth of the study area has been responding to rapid urban and population growth of the city. Table 1 reveals that the earliest low income house-producer (0.2%) bought their land in 1915 and started construction in the same year. Between 1915 and 1938, 2.6% of the residents acquired their land and about all (2.5%) started construction in the same period. There was a period of interregnum between 1939 and 1948 (during and

immediately after the 2nd world war) in which there was no acquisition of land and there was also no construction.

There was a resurgence of house production activity in the two decades after (1949 – 1968) with seven to nine times more activity in the 1959 to 1968 decade. Between 1949 and 1958, 0.4% accessed their land with 0.1% starting construction. Between 1959 and 1968, 2.5% accessed their land 1.1% started house-production.

The rapid transformation of the study area from an agricultural/rural community started after the 1959 – 1968 decade especially from 1970 when the Nigerian civil war ended. The low income people in spite of political, social and economic exclusion were able to exploit the economic boom from petroleum sales after the civil war as shown on Table 1.

Table 1: Rate of Spatial development of Ogbere (Jaiyeoba, 2011)

Year/ Number of Housing producers	Acquired land	Started construction	Started living in Ogbere
Before 1919	4	2	2
1919-1928	8	10	5
1929-1938	11	8	9
1939-1948	-	-	-
1949-1958	3	1	2
1959-1968	21	9	15
1969-1978	260	151	97
1979-1988	309	346	306
1989-1998	166	197	255
1999-2008	50	71	175
Total	832	795	869

Most of the land subdivision and house production took place between 1979 and 1988. The excessive consumption led to unprecedented economic crisis, debt burden and negative balance of payment. Nigeria accepted and introduced the International Monetary Fund inspired Structural Adjustment Programme in 1986. Thereafter land acquisition and construction started to reduce. In fact, it became halved the next decade. It fell to one-third in the subsequent decade ending in 2008 (Jaiyeoba, 2011). Another factor that accounted for the reduction of land acquisition and housing production in the last decade was the reduction of available land and increased land value as documented in Jaiyeoba (2011). The many obstacles in the way of low income housing producers were overcome through everyday application of their resources.

### Resources and motivation of the Ogbere housing producers

The different resources that the low income housing producers utilized in the housing production process included formal and informal knowledge, human, social and economic capital.

Low income people are known to acquire building knowledge through casual labour or some form of engagement in the construction industry on arrival in cities. However, only about two per cent of the housing producers in the study area had any employment in the building

industry. More than a quarter (27.4%) of the housing producers had no formal education, (10.0%) completed primary education and 14.6% completed secondary education. Housing producers into vocational training with no formal education after primary school, and after secondary school constituted 28.1% of the producers. In all, 34.5% concurred to having any knowledge of building. A minority of housing producers had post-secondary education. Less than three per cent (2.7%) had a university degree, higher diploma, college of education (6.1%) and lower diploma and lower college of education (5.1%).

The professionals and skilled workmen that took part in the housing production process met the owner occupiers through their past work done for persons in the social network of house owners. Some met in places where they frequent formally or informally or have family or other relationships with the head or other members of the household. Others were neighbours or worked in the neighbourhood or have 'stations' or office in the housing producers' present or past neighbourhood. Social capital also involves group action to achieve the desire of being a house owner. The housing producers enjoyed some group participation in the social production of their housing. A quarter (23.8%) of the housing producers belongs to one or more indigenous/social organizations. A third (32%) signified belonging to an employee workers association, with 26.2% belonging to a religious association. Also, more than twenty percent (21.5%) belongs to home town association, 15.3% to skilled workers association and 13.1% to a co-operative society/organization. These organization/associations participated to a varying degree in the housing production process. A quarter (25.5%) of the producers enjoyed the participation of religious association while 23.8% enjoyed the participation of workers association. Home town association and co – operative societies had 9.7% and 9.6% participation respectively.

Traditional norms that are expected from family, extended family and friends are a resource to the production process of the low income people in Ogbere. The extended family and friends contributed to 12.1% and 12.2% respectively of the cases in the study area while the owner occupiers' immediate family (nuclear) contributed to 12.6% of the cases. Social capital contributed more than economic capital to the social production of housing in Ogbere. This is because the social network of the people was expanded by the informal activities in which 86.5% of the producers were engaged. In addition, 24.8% were engaged in informal activities as secondary occupation. In the everyday practice of informal activities they came in contact with people from all income groups and this lifted the impact of cash gifts in the social production of housing. The combination of these resources led by social capital and the motivation to own a house led to success in social production of housing.

The preference and pride to have a self-owned house in their indigenous home is at the top of the motivation for housing production by the low income people in the study area. Three quarters (75.4%) of the housing producers are Ibadan indigenes and lived earlier in the old or ancient core of the city. For one third (32.6%) of the residents, the pride to have a house different from the family house in Ibadan was the motivation for housing production. The desire for comfort, convenience and privacy necessitated housing production for a quarter (24.9%) of the owner-occupiers. The intention to take care of the nuclear family – children, wife (spouse), and parent is the primary motive for 13.3% of the housing producers. The idea

is to be responsible by taking care of the immediate family needs, stay away from the family house, raise their own family and 'become a man'.

Less than three percent (2.4%) thought about their housing as an investment with a future benefit contrary to the usual finding. Those in this category think it is their 'best asset in life' and 'it's good to have property for rent' (Jaiyeoba, 2011).

Significantly the desire of the political and financial elites to lure low income people into economic citizenship and consumption through production and creation of value are not the main motive of the producers in this context. Some of the motivations for the contemporary home ownership include speculation, profiteering, and improved economic citizenship in which those with a housing asset can sustain consumption through credit securitized by the investment value of the house (Forrest, 2008; Allon, 2010). To probe letting out of rooms by the low income in Ogbere, an optimal regression (categorical) was done. A significant model emerged ( $F_{24, 374}=116.827$ ,  $P < 0.0005$ ), Adjusted R square = .875 with the predictor variables as shown in table 2.

Table 2: Predictor of Number of rooms rented out (Jaiyeoba, 2011)

	Standardised Coefficients		F	Sig
	Beta	Std. Error		
Personal Income	.012	.018	2	.424
Highest Level of Education	.042	.019	5	4.747
Owners family size	.000	.018	1	.002
Type of house lived as a child	-.043	.019	5	4.954
Type of house lived as an adult	.034	.019	4	3.229
No of rooms built	.981	.020	1	2.402E3
No of rooms for house owner	-.652	.021	1	977.448
Marital status	-.086	.018	4	23.000
Age	.031	.018	1	2.942

\*\*\* Significant variables

The significant predictor variables as shown on Table 2 were the number of rooms built by the housing producer ( $p < 0.0005$ ), number of rooms for owner occupier ( $p < 0.0005$ ), Marital status ( $p < 0.0005$ ), type of house lived as a child ( $p < 0.0005$ ) and highest level of education ( $p < 0.0005$ ). Type of house lived as an adult, age, amount of personal income and owners' family size were not significant predictors of number of rooms rented out in the significant model.

Interpreting further by observing the beta values, the most significant predictors were the number of rooms built and the number of rooms for the owner occupier. The more the number of rooms built, the more the number of rooms rented out. This is after the housing producer must have taken enough rooms for use since the number of rooms rented out is strongly negatively correlated with the number of rooms for the owner occupier. The most significant was that income was not a predictor variable for renting out rooms among the low income people suggesting that renting out part of the house is not necessarily motivated by the housing producers need for money.

## 5.0 Conclusion and Recommendations

Housing is one of the most basic human needs but the process of having a house and the motivation for attaining housing differ. The house and its environment's design are

inseparable from its social, political, economic, and cultural contexts. A house is much more than the place where we are housed; it must give an environment that contributes to our physical, psychological and social wellbeing.

In the context of the Ogbere case study, housing production was not majorly motivated by the investment value of housing or by the need for shelter. It is motivated by psychological and social needs of the nuclear family and the desire for housing in the indigenous home. The housing producers were able to succeed by applying diverse resources including human, social and economic capital. The impact of the other resources supersedes their income in contributing to this success. Therefore, being poor is not a complete explanation of the social profile of low income people in the study area. Low income people in different social contexts need to be studied with theoretical perspectives that idealise comprehensive approach to apprehend details of their socio-economic characteristics. The Ogbere housing producers' social capital was also enhanced by everyday practice of informal vocations and belonging to indigenous organisations. The theoretical perspective of social production allows for the study of low income people, the processes they adopt and the houses they produce. It illuminates the production of low income housing.

Universally applied housing policy stereotypes are unsuitable for low income housing. Top to bottom policies that treat poor people as passive objects leads to negative interventions in low income housing. In a social context of limited resources, government policies should take a cue from how millions of low income people are producing houses in different contexts. This understanding is best achieved through contextual studies deploying comprehensive approach. This is necessary to formulate housing policies that would enhance housing solution to the majority who are low income people.

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