

Effect Of Corruption On Housing Delivery Projects In Oyo State, Nigeria

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Abstract: *This paper examines the effect of corruption on housing delivery projects in Oyo State, Nigeria. It explores how corrupt practices impede project completion, increase costs, and reduce the quality of housing provided. The population of the study are government officials, contractors, and residents of housing projects. Using a combination of qualitative and quantitative methods, the study analyzes data from government reports, interviews with key stakeholders, and case studies of specific housing projects. Findings reveal that corruption significantly hinders housing delivery through misallocation of funds, bribery, and nepotism. The study concludes with recommendations for policy reforms and anti-corruption measures to enhance the efficiency and effectiveness of housing delivery in Oyo State.*

Keywords: Bribery, Corruption, Housing, Housing Delivery, Mismanagement of funds

Introduction

Effective housing delivery is vital for urban development and socioeconomic stability, as it addresses a fundamental human need for shelter and promotes overall well-being (Bala and Bastani, 2012). In Oyo State, Nigeria, the surge in demand for affordable housing is driven by rapid urbanization and population growth. However, corruption poses a significant threat to achieving this goal. This research seeks to investigate the prevalence and impact of corruption on housing projects in Oyo State, analyzing recent data and stakeholder insights to identify challenges and propose practical solutions.

The housing sector's growth is crucial for national development, but corrupt practices create substantial obstacles, hindering project implementation. Some of the challenges facing housing delivery in Nigeria include unskilled workmen, unachievable Westernized building standards, housing finance issues, high urbanization rates, and poor policy programs (Ibem and Aduwo, 2013).

Statement of the Problem

Oyo State, similar to many regions in Nigeria, faces a substantial housing deficit, depriving millions of residents of adequate shelter. Although both government and private sector initiatives have been introduced to address the housing shortage, corruption has significantly hindered the success of these housing delivery projects. Corruption in the sector takes various forms, such as bribery, embezzlement, favoritism, and procurement fraud, all of which have led to the poor execution and, in many instances, the complete failure of housing projects.

Ojo and Fadare (2017) highlight that numerous housing projects initiated by the Oyo State government have remained unfinished due to mismanagement and the embezzlement of funds. Similarly, Aluko (2012) points out that many housing projects across Nigeria, including in Oyo State, fail to meet essential safety standards as a result of corruption during the construction process. The cumulative effect of corruption on housing delivery in Oyo State has worsened the housing deficit. Abandoned projects, substandard construction, and inflated costs have rendered the state's housing initiatives ineffective in meeting the growing demand for affordable housing. Therefore, this study examines the effect of corruption on housing delivery projects in Oyo State, Nigeria.

Aim and Objectives of the Study

The primary aim of this study is to examine the effect of corruption on housing delivery projects in Oyo State, Nigeria. Specifically, the objective of this study is to examine the causes of corruption in housing delivery projects in Oyo State.

Literature Review

Corruption in public-sector projects, notably in housing delivery, is a well-documented problem worldwide. According to studies, corruption causes ineffectiveness, increased prices, and poor quality public housing (Ameyaw and Mensah, 2019; Tanzi, 2020). In Nigeria, corruption in housing supply takes several forms, including embezzlement, bribery, and favoritism (Akinyemi & Fapohunda, 2021). Previous study has shown that these behaviors have a negative impact on project deadlines and overall housing quality (Okonjo-Iweala, 2019; Adeyemi and Wahab, 2020).

Overview of Past Government Efforts on Housing Delivery in Oyo State

The Nigerian government has launched several programs to enhance housing delivery, such as the National Housing Fund (NHF) and various state-level initiatives. In Oyo State, notable efforts include projects by the Oyo State Housing Corporation. However, the outcomes of these initiatives have been inconsistent, frequently hindered by corrupt practices. According to recent reports, despite substantial investments, many housing projects remain incomplete or suffer from poor quality due to corruption (NBS, 2021; Oyo State Government, 2022). These initiatives are driven by the need to address the worsening housing deficit, exacerbated by rapid urbanization and population growth. Nevertheless, corruption continues to be a major barrier, undermining the success and impact of housing projects. This section outlines previous government efforts in Oyo State's housing sector, focusing on key initiatives and the challenges they face.

Historical Context of Housing Delivery Efforts in Oyo State

Pre-2015 Initiatives

Prior to 2015, the Oyo State government, mainly through the Oyo State Housing Corporation, launched several housing projects with the goal of providing affordable homes for civil servants and the general public. Prominent among these initiatives were the Bodija Estate, Bashorun Estate, and other residential schemes in Ibadan and other key towns. However, these efforts were frequently undermined by challenges such as insufficient funding, poor project management, and corruption (Akinyemi & Fapohunda, 2021).

Ajimobi Administration 2011-2019

Key Projects

1. Agodi GRA: Governor Abiola Ajimobi's administration prioritized the development of high-end residential neighborhoods like as the Agodi Government Residential Area (GRA) in order to attract investors and improve Ibadan's urban landscape. While this project had some success in terms of infrastructure development, it was chastised for emphasizing aristocratic housing above affordable housing for low and middle-income families.
2. Elenusonso Housing Estate: This initiative attempted to offer cheap homes, but it encountered considerable obstacles owing to corruption and mismanagement. Funds for the project were frequently embezzled, resulting in incomplete and substandard housing units (Oyo State Government, 2018).

Challenges and Corruption Issues

Misallocation of Funds: According to reports, significant sections of the housing money were siphoned through unethical methods, affecting project quality and completion rates (Transparency International, 2020).

Procurement Fraud: The procurement procedure for supplies and contracts was frequently manipulated, resulting in exorbitant expenses and inadequate construction. (Akinyemi & Fapohunda, 2021).

Makinde Administration 2019-2024

Key Projects

1. Ajoda New Town Housing Project: This project, undertaken to give inexpensive housing to a large number of citizens, is one of the most substantial housing initiatives launched by the Makinde administration. Despite its promise, the project has been delayed due to finance challenges and procurement malfeasance (Oyo State Government, 2022).
2. Lagos-Ibadan Housing Scheme: Another important program that targets low- and middle-class incomes specifically in an effort to alleviate the housing shortage. Results from this project have been uneven; although some units were finished on schedule, others were delayed because of corruption and inefficiencies in the bureaucracy.

Achievements

Policy Reforms: A number of reforms have been implemented by the Makinde government to improve transparency and decrease corruption, such as the creation of anti-corruption units within housing agencies and the adoption of more open procurement procedures (NBS, 2021).

Challenges and Corruption Issues

Continued Misallocation of Funds: There are persistent reports of money being taken out of housing developments in spite of improvements. Delays and a decline in the standard of housing units have resulted from this (Musa & Akinpelu, 2023).

Bribery and Nepotism: Contract award corruption is still a major problem, with many projects being chosen for funding based more on connections than on merit, which produces subpar project results (Transparency International, 2020).

Major Housing Projects and Their Challenges

Bodija Estate

The Bodija Estate, one of the earliest and most prominent housing projects in Oyo State, was initially successful in delivering quality housing. However, over time, problems like poor maintenance, encroachment, and corruption in the allocation of plots have reduced its effectiveness. Residents have frequently raised concerns about the allocation process being biased towards influential individuals, resulting in unequal access to housing (Akinyemi & Fapohunda, 2021).

Bashorun Estate

The Bashorun Estate project sought to mirror the success of Bodija Estate but encountered substantial challenges from the beginning. Problems such as inadequate infrastructure, insufficient funding, and corruption in the awarding of contracts hindered the project's progress. Consequently, many housing units remain unfinished or in disrepair (Musa & Akinpelu, 2023).

Ajoda New Town Housing Project

Launched by the Makinde administration, the Ajoda New Town Housing Project is a major initiative aimed at tackling the housing deficit by providing affordable homes to a large number of residents. Although the project has achieved some progress, reports indicate that corruption in procurement and delays in funding allocations have impeded its advancement (Oyo State Government, 2022).

Government Policies and Reforms

In an effort to address the challenges of corruption and inefficiency, successive governments in Oyo State have implemented various policies and reforms. These measures include the creation of anti-corruption units within the state's housing agencies and the implementation of transparent procurement processes. Furthermore, initiatives have been made to engage the private sector through public-private partnerships (PPPs) to harness additional funding and expertise for housing delivery (Transparency International, 2020).

Materials and Methods

This study employs a mixed-method approach, combining qualitative and quantitative data. Primary data was collected through interviews with government officials, contractors, and residents of housing projects. Secondary data sources include government reports, academic articles, and media publications. Data analysis involved thematic coding for qualitative data and statistical analysis for quantitative data, focusing on correlations between corruption indicators and project outcomes. Descriptive analysis is deployed using simple percentage statistical table to analysis respondents' views as demonstrated below:

Table 1: Sample size and Distribution of Questionnaire

S/N	Items	Administration of questionnaire	Retrieval	Retrieval Percentage (%)
1	Government officials from Ministry of Lands, Housing and Survey; and Oyo State Housing Corporation.	60	55	91.67%
2	Contractors.	5	5	100%
3	Residents of the Housing projects.	85	68	80%
	Total		128	

Source: Authors' Field Survey, 2024

Table 2: Causes of Corruption in Housing Delivery Projects in Oyo State

S/N	Items	Respondents	Percentages (%)	Ranking
1	Misallocation of Funds	126	98.4%	1 st
2	Bribery and Nepotism	125	97.7%	2 nd
3	Quality Compromises	124	96.9%	3 rd
4	Delay in Project Completion	118	92.2%	4 th
5	Transparency and Accountability	116	90.6%	5 th

Source: Authors' Field Survey, 2024

Discussion of Findings

Misallocation of Funds

The study indicates that the misallocation of funds is a major challenge in housing delivery projects in Oyo State. Embezzlement and the diversion of funds intended for these projects are prevalent, resulting in incomplete or abandoned initiatives. For example, several projects initiated during the Ajimobi administration, such as the Elenusonso Housing Estate, experienced budget shortfalls due to the misappropriation of allocated funds. This misallocation often leads to increased project costs and delays, further limiting the availability of affordable housing units (Transparency International, 2020). A significant majority of respondents (98.4%) identified the misallocation of funds as the leading cause of corruption in housing delivery projects in Oyo State. This issue arises when resources designated for project completion are diverted for personal use or unrelated activities. It is frequently associated with inadequate financial oversight and weak budget controls, which enable the misdirection of public resources (Agbibo, 2015). Numerous instances have been reported in Nigeria where funds allocated for public infrastructure, including housing projects, were redirected or embezzled, resulting in stalled or poorly executed initiatives (Uche et al., 2020). Such resource diversion critically undermines the quality and timely completion of housing projects, ultimately depriving the public of essential infrastructure (Suleiman, 2022).

Bribery and Nepotism

Bribery and nepotism in contract awarding significantly affect the quality and efficiency of housing projects. Contractors often obtain projects through bribery rather than on merit, resulting in the selection of less qualified individuals who produce substandard work. For instance, the Bodija Phase II project faced considerable delays and quality issues because contracts were awarded based on personal connections instead of qualifications (Akinyemi & Fapohunda, 2021). This practice not only undermines construction quality but also inflates project costs due to kickbacks and bribes factored into the budget. Bribery and nepotism were identified by 97.7% of respondents as significant contributors to corruption in housing delivery projects. These practices involve exchanging money or favors for preferential treatment in project awards, contracts, and hiring decisions (Dike, 2015). In Oyo State, as in other regions of Nigeria, bribery and nepotism skew the project awarding process, often leading to the selection of contractors or suppliers based on personal ties rather than merit or expertise. This results in hiring unqualified contractors who produce inferior work (Aluko, 2018). Furthermore, nepotism diminishes accountability, as those benefiting from such practices may feel less compelled to follow rules or regulations (Ogbuagu et al., 2021). Quality compromises were reported by 96.9% of respondents, indicating that corruption frequently leads to subpar construction and poor quality in housing projects. Contractors and officials engaged in corrupt activities may cut corners on materials and labor to maximize their personal profits from project budgets (Ofori, 2016). This not only jeopardizes the integrity and safety of housing projects but also raises long-term costs due to the need for frequent repairs and maintenance. Previous studies emphasize that corruption-related quality compromises are widespread in Nigeria's public infrastructure sector, resulting in a surge of unsafe and substandard buildings (Ayodele & Alabi, 2021). The inability to enforce construction standards and hold contractors accountable further exacerbates this problem.

Quality Compromises

Cost-cutting measures driven by corruption frequently result in the use of substandard materials and construction methods, directly affecting the safety and durability of housing units. For example, the Bashorun Estate project suffered from the use of inferior materials, leading to poorly constructed buildings that require constant repairs and maintenance (Musa & Akinpelu, 2023). Residents often face long-term safety risks and increased maintenance expenses due to these practices. Quality compromises were reported by 96.9% of respondents, highlighting that corruption frequently results in subpar construction and inadequate quality in housing projects. Contractors and officials involved in corrupt activities may skimp on materials and labor to maximize their personal profits from project budgets (Ofori, 2016). This not only undermines the integrity and safety of housing projects but also raises long-term costs due to the necessity of frequent repairs and maintenance. Previous studies have shown that corruption-related quality compromises are widespread in Nigeria's public infrastructure sector, resulting in a rise of unsafe and substandard buildings (Ayodele & Alabi, 2021). The failure to enforce construction standards and hold contractors accountable further aggravates this issue.

Delays in Project Completion

Delays in project completion represent another significant consequence of corruption in housing delivery. Initiatives like the Ajoda New Town Housing Project have experienced considerable delays due to bureaucratic inefficiencies and corrupt practices in the procurement process. These delays worsen the housing deficit and escalate costs, making it challenging for low and middle-income earners to secure affordable housing (Oyo State Government, 2022). Delays in project completion were noted by 92.2% of respondents as a common result of corruption in housing delivery projects. Corruption can extend project timelines due to the misallocation of funds, inadequate project planning, and the ongoing need for renegotiations and re-awarding of contracts (Khan, 2017). When funds are misappropriated, contractors may lack the financial resources necessary to purchase materials or compensate workers, resulting in significant delays (Akanbi, 2019). Furthermore, corrupt officials may intentionally prolong projects to create opportunities for further embezzlement. These delays in housing delivery projects not only raise overall costs but also diminish the availability of affordable housing for the public (Okereke, 2020).

Lack of Transparency and Accountability

The recurring issue of insufficient transparency and accountability in project management and procurement processes is a significant concern. The lack of stringent oversight mechanisms allows corrupt practices to flourish. Although the Makinde administration has attempted to implement reforms and improve transparency, reports indicate that substantial challenges persist in ensuring that funds are utilized appropriately and that projects meet required standards (NBS, 2021). Furthermore, 90.6% of respondents identified the lack of transparency and accountability as a major contributor to corruption. Transparency in the allocation and use of funds is crucial for preventing corrupt practices in public sector projects (Akinwale, 2016). Without open reporting mechanisms, officials and contractors can easily manipulate project budgets and timelines without public oversight. Similarly, the absence of accountability enables corrupt individuals to act without fear of investigation or punishment (Dike, 2018). Research indicates that in Nigeria, transparency initiatives such as the Public Procurement Act have seen limited success due to poor implementation and weak enforcement (Lawal, 2021). Consequently, the lack of robust accountability measures continues to enable corruption in housing projects.

Data from the National Bureau of Statistics (NBS) shows that less than 50% of housing projects initiated between 2011 and 2024 were completed on time. The completion rate was particularly low during the Ajimobi administration, attributed to high levels of corruption and mismanagement. Quality assessments of completed housing units reveal that many projects failed to meet required standards, primarily due to the use of substandard materials and inadequate construction practices driven by corruption (NBS, 2021).

Interviews with residents, government officials, and contractors reveal widespread dissatisfaction with the condition of housing projects. Residents frequently cite corruption as a key factor contributing to the poor quality and delays in housing delivery. Detailed case studies of projects like the Ajoda New Town Housing Project demonstrate how corruption adversely affects housing delivery. Despite their significant potential, these projects are often compromised by financial mismanagement and corrupt practices.

Impact of corruption on Stakeholders

Residents, contractors, and government officials are just a few of the parties impacted by corruption in housing delivery projects. Locals endure subpar housing and rising expenses, and trustworthy contractors are frequently ignored in favor of those prepared to participate in unethical behavior. Because systemic corruption is well ingrained, government personnel find it difficult to carry out policies successfully (Transparency International, 2020).

Conclusion and Recommendations

The history of housing delivery projects in Oyo State is a mix of ambitious plans and significant challenges. While successive administrations have made efforts to address the housing needs of the state's growing population, corruption has consistently undermined these initiatives. Moving forward, it is essential for the government to strengthen anti-corruption measures, enhance transparency, and ensure that housing projects are managed efficiently and equitably. Corruption significantly hampers housing delivery in Oyo State, affecting project completion, cost, and quality. To address these challenges, the following recommendations are proposed:

1. **Empowering Anti-Corruption Bodies:** Strengthen the capabilities of the Independent Corrupt Practices Commission (ICPC) and other relevant agencies to monitor housing projects rigorously. This includes providing adequate funding, training, and resources to effectively investigate and prosecute cases of corruption.
2. **Enhanced Collaboration:** Foster collaboration between anti-corruption agencies and civil society organizations to improve oversight and transparency in housing projects.
3. **Implementing E-Procurement:** Introduce and enforce e-procurement systems to ensure transparency and reduce human interference in the procurement process. This system can help to minimize opportunities for bribery and favoritism.
4. **Regular Audits:** Conduct regular and independent audits of housing projects to ensure that funds are used appropriately and to identify and address any irregularities promptly.
5. **Engaging Local Communities:** Involve local communities in monitoring and reporting corruption in housing projects. Establish community watchdog groups that can provide real-time feedback and hold project managers accountable.

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