Architecture as Stimulus for Growth and Economic Development in Nigeria

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Abstract- Architecture and design constitute one of the major economic growth areas in any country. Nigeria increasingly needs to compete in knowledge, development and innovation. Such and all human activities are carried out within some form of shelter or organized open spaces which are contributions or products of architecture to the built environment and the economic growth of the nation. This phenomenon is of enormous and unquantifiable dimension in developing economies like Nigeria. This paper therefore examines succinctly the economic impact of architecture on corporate businesses and the contribution it has made to the social development of the nation. It recommends the way forward for exploring architectural potentials in the tourism industry for boosting the economic base of Nigeria as a means of attracting foreign revenue in support of emerging advocacy for diversification of oil revenue base of the nation.

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Abstract - Architecture and design constitute one of the major economic growth areas in any country. Nigeria increasingly needs to compete in knowledge, development and innovation. Such and all human activities are carried out within some form of shelter or organized open spaces which are contributions or products of architecture to the built environment and the economic growth of the nation. This phenomenon is of enormous and unquantifiable dimension in developing economies like Nigeria. This paper therefore examines succinctly the economic impact of architecture on corporate businesses and the contribution it has made to the social development of the nation. It recommends the way forward for exploring architectural potentials in the tourism industry for boosting the economic base of Nigeria as a means of attracting foreign revenue in support of emerging advocacy for diversification of oil revenue base of the nation.

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I. INTRODUCTION

Architecture is a precursor to emotional attraction to goods and services from the exterior envelope of buildings to the interior that accommodate them, both tangible and intangible commodity. Architecture creates a friendly environment that attracts and appeals to the sensory emotional instinct in man to want to see, appreciate and belong. In the process, economic generating activities ensues which impact on the overall well being of man and society.

An interwoven relationship exists between man-made architectural icon and the beautiful spectre of a natural environment which can be visually attractive and inviting to patrons and tourists. Today tourism is one of the largest and highly dynamic sectors of external economic activities. Its high growth and development rates, considerable volumes of foreign currency inflows, infrastructure development, and introduction of new management and educational experience actively affect various sectors of economy. These positively and monumentally contribute to the social and economic development of nations across the world.

Highly developed economies such as America, Switzerland, Austria, and France have accumulated a big deal of their social and economic welfare on profits from tourism. According to recent statistics (World Bank, 2011), tourism provides about 10% of the world’s income and employs almost one tenth of the world’s workforce. All considered, tourism’s actual and potential economic impact is astounding.

The aim of this work is to identify and link economic and cultural demands regarding the Nigerian landscape and tourism architecture with a view to provide a guide for stakeholders of the tourism subsector. It also seeks to underline the efficacy of architecture and design potentials as success tools in tourism and economic enhancement.

II. ARCHITECTURE AND TOURISM

Platform of Architecture in Tourism (2007), observed that although architecture, culture of construction and design are attracting public attention, the innovative potential which lies within contemporary architecture is still hardly used in the tourism industry. Notwithstanding, it could greatly enhance the process of creating the corporate identity and market position of businesses, villages or destinations. Despite the close collaboration between the business areas of architecture and tourism, no goal setting or strategic development is directed towards relating tourism to architecture directly. This could have provided necessary interface with conceptual, theoretical and scientific approaches to drive the new product design paradigm as an emerging economic success tool. Historic buildings still remain important signatures as well as highly valued objects. The objective is to bring about sustainable tourism development as well as the international positioning of Nigerian tourism through contemporary architecture and design.

Architecture acts through its qualities. • High quality architecture stands for function and well-being Orientation, functionality and quality of space are hygienic factors indispensable for guest satisfaction. Short distances, good accessibility of all facilities and hygiene factors indispensable for guest satisfaction. • High quality architecture stands for corporate identity, the very first impression of guest and potential customers is mostly enmeshed in architecture.
Sensual perception and impressive shapes, as well as their illustration create memories. Special design can easily be remembered and therefore positively influences the decision making process. • High quality architecture translates into competitive advantage; good architectural composition is something special and unforeseen. The involvement of history and environment gives it the potential to differentiate it from competitors.

III. Man Made Architectural Icons

a) Millennium Park: Impact on Chicago’s Economy

Collins (2005) observed that the Millennium Park completely opened in the summer of 2004, but its impact on Chicago's economy was established years before since the park was opened incrementally. Real estate values and the property tax base were enhanced as early as the spring of 2000 when it was reported that a Michigan Avenue commercial building was sold for $90 a square foot, more than double what the seller purchased it for six years before. The seller maintained that Millennium Park stimulated the sales of condominium projects along central Michigan Avenue "with buyers standing in line for hours to put down deposits, and sales contracts being signed at a faster pace than any other downtown neighborhood."

A total of seven condominium projects are attributing their successful sales to Millennium Park. The most prominent is the 57-story tower Heritage at Millennium Park which is now totally sold out. The average price per square foot of the Heritage was $592 which puts it at a new top fee for the condo market. Millennium Park has created a very strong appeal for young professionals, retirees or “empty nesters” to move back downtown from the suburbs.

The central business district not only has Millennium Park with its largely free cultural attractions, but it also has many other cultural institutions, proximity to many business and corporate headquarters, and the potential of great views of the park, the lake and Chicago’s incredible skyline. The Millennium Park, Economic Impact Study prepared by URS and the Goodman Williams Group and released in April of 2005, calculated that the impact over the next ten years on the adjacent real estate market that is directly attributable to Millennium Park totals $1.4 billion.

Similarly, According to the Voyages Photos website, tourism in Italy benefits the economy much more than its rich agricultural landscape. The tourism industry generates employment for locals and increases profit margins for the country. According to the Ministry of Foreign Affairs, 69 percent of Italy's GDP is the services sector, specifically tourism. The construction sector makes up 29 percent, which tourism greatly affects, and 2 percent of GDP comes from agriculture resources.

IV. Construction Industry as a Prime Motivator

The construction industry is generally responsible for the physical development or the transformation of the environment which makes the built environment very vital to social-economic development of a nation. It comprises of building, civil and heavy engineering works. Ajanleko (1990) affirms the industry to be a prime motivator of any economy while in Nigeria; it represents 60 percent of the capital investment. The World Bank attributes the industry to account for between 3 to 8 percent of the Gross Domestic Product (GDP) in developing countries, Nigeria inclusive.

Hillebrandt (2000) opines that the sector forms a crucial focus of any nation's economy. In the view of El-Rufai(1993), the sector was referred to in economic term as capital goods industry because its products and services do constitute the basis where other economic activities are built upon. Plessis (2007) views construction as a large sector of the economy responsible for millions of jobs and a significant proportion of GDP in most countries. When allied to other sectors and industries in materials production and distribution as well as services sectors such as transport, finance and the property market, its impact on society and the environment and its influence on the character of the world are tremendous.

Architecture is concerned with the planning, design, and production of buildings either existing or new (Amole, 2004) and its role in this struggle in which the Nigerian state seeks her rightful position in emerging 21st century global economy cannot be overemphasized. The demand on the practice of architecture is thus that research needs to match the level of everyday practice, if the profession is to retain its credibility or relevance. The diversity of clients, buildings and user groups suggest that new conditions hitherto unknown to the profession indicate that stock experience will not be sufficient to respond efficiently to the needs of these new environments and people.

Nigeria is classified as a mixed economy emerging market, and has already reached middle income status with its abundant supply of natural resources, well-developed financial, legal, communications, transport sectors and stock exchange (the Nigerian Stock Exchange), which is the second largest in Africa. Nigeria is ranked 31st in the world in terms of GDP (PPP) as of 2011. Nigeria is the United States' largest trading partner in sub-Saharan Africa and supplies a fifth of its oil (11% of oil imports). It has the seventh-largest trade surplus with the U.S. of any country worldwide. Nigeria is currently the 50th-largest export market for U.S. goods and the 14th-largest exporter of goods to the U.S. The United States is the country's largest foreign investor. (World Bank 2011).

V. CREATIVE INDUSTRIES (ARCHITECTURE AND DESIGN) AS ECONOMIC ASSETS

Madeline (2005) observed that in today’s economy Creative and new media industries are growing in number and playing increasingly prominent economic and social roles. The market value of products is increasingly determined by a product’s uniqueness, performance, and aesthetic appeal, making creativity a critical competitive advantage to a wide array of industries; Also that most desirable high-wage jobs require employees with creativity and higher order problem solving and communications skills; while Business location decisions are influenced by factors such as the ready availability of a creative workforce and the quality of life available to employees.

Governors and their civil service staff are confronted by a global economy that is increasingly competitive and in which the Nigerian is no longer assured of a dominant position within the African sub region. Countries such as China, Korea, and Ireland are outpacing the United States in key indicators such as economic growth, new product innovation, broadband penetration, and educational attainment among younger generations. As this gap widens, states recognize that a competitive edge and a creative edge go hand-in-hand to support economic prosperity.

Further more in this environment, a state’s arts and cultural resources can be economic assets. The arts and cultural industries provide jobs, attract investments, and stimulate local economies through tourism, consumer purchases, and tax revenue. Perhaps more significantly, they also prepare workers to participate in the contemporary workforce, create communities with high appeal to residents, businesses, and tourists, and contribute to the economic success of other sectors.

Emily (2005) explained that the creative economy may include human, organizational, and physical assets. It also includes many types of cultural institutions, artistic disciplines, and business pursuits. Industries that comprise the arts and culture sector may include advertising, architecture, the art and antiques market, crafts, design, fashion, film, digital media, television, radio, music, software and computer games, the performing arts, publishing, graphic arts, and cultural tourism. Though the creative industries are broadly defined, they are important to state economies.

First and foremost, they contribute directly to jobs, tax generation, and wealth. For example, the creative economy in Arkansas in America employs nearly 27,000 individuals and generates $927 million in personal income for Arkansas citizens.(Regional Technology Strategies, 2007).

Creative enterprises are the third largest employer in Arkansas—after transport, logistics, Perishable and processed foods. Nigeria is yet to actually exploit the full potentials of the economic contributions of the arts using a range of measures, from the work of nonprofit arts agencies to the impact of cultural tourism.

Whether it is the $3.9 billion infused into North Carolina’s economy in 2006 through the wages and income of workers employed by creative enterprises. (Regional Technology Strategies 2007), or the 17.6 percent yearly growth of the cultural sector in Massachusetts (and its $4.23 billion economic contribution), (Gregory, Wassall and Douglas 2002), it is clear that the creative sector is important to individual state and the Nigerian economy as a whole.

In addition to direct financial contributions, the arts and culture can offer states a wide array of other economic benefits, such as the following:

a) Helping Weak Economic Areas

The decentralized nature of the creative industries can benefit Residents of areas often thought to lack economic strength—such as rural areas. (Madeline 2005) and the urban core.(Jeremy 2007) At the heart of the creative industries are individual artists who are typically well-connected to the communities where they reside. Linking these artists with entrepreneurial opportunities both inside and beyond their regions offers many economic development possibilities.

According to Dun & Bradstreet data analyzed by Americans for the Arts, a national arts advocacy group, 2.98 million people across America work for 612,095 arts-centric businesses. This represents 2.2 percent and 4.3 percent, respectively, of all U.S. employment and businesses.(Jeremy 2007) Using Arts and Culture to Stimulate State Economic Development.

b) Recruiting and Developing a Skilled Workforce

Architecture is an important complement to community development. They provide an enhanced quality of life, enrich local amenities, and play an important role in attracting young professionals to an area. Richard Florida, a leading expert on economic competitiveness, innovation, and demographic trends, is credited with coining the term “Creative Class,” which describes young and talented individuals who are mobile and more likely to locate where there is a vibrant and creative environment. Attracting and retaining talented young people and companies is becoming increasingly important to states. The arts and culture
within an area play an important role in attracting these professionals.

c) Attracting Tourism Naira

The audiences drawn to arts venues and cultural events also bring economic benefits for other businesses. A thriving cultural scene helps attract visitors who not only spend their money on the events themselves, but also contribute to local economies by dining in restaurants, lodging in hotels, and purchasing gifts and services in the community. A recent study on the drivers of tourist spending found that tourist expenditures correlate directly with the number of arts and design workers employed in a region. (Regional Technology Strategies 2007)

VI. Architecture and Tourism Industry in Nigeria

In recognition of these benefits, numerous states have adopted a wide range of strategies designed to foster arts and culture and tap into the resulting economic benefits. Cross rivers state in Nigeria seems to have defined their creative economies in a variety of ways, depending on the composition and character of businesses, nonprofits, individuals, and venues that exist. The Tinapa Business and Leisure Resort in Cross River State has the potential to generate N100 billion (US$ 666 million) annually according to its managing director. Tinapa’s major problem is that people are not aware of the opportunities at the resort. (Ndem, 2010)

According to Ndem (2010), Tinapa will see an improvement in the quality of services and the number of tenants and businesses in the near future. Physical structures at the resort have been completed, a number of shops have started to operate and that the water park has been completed.

Nigeria can take steps to incorporate arts and culture into state economic development plans and policies. Specific, approaches for better identification and analysis can be made for state’s arts and cultural resources so that policymakers may better understand the existing creative enterprises in their state and the dynamic roles that these enterprises play in the state’s economy. This often involves convening a strong leadership body comprising experts from public, private, and nonprofit sectors to develop a distinct vision for tying architecture and arts to economic growth strategies. Governors can develop the arts and culture sector through for-profit and nonprofit businesses, non-arts industries, individual entrepreneurs, and art networks as well as through ensuring a skilled workforce for the sector to draw upon and education in the schools to cultivate understanding, appreciation, and demand for arts and cultural goods and services. In particular, states can incorporate arts and culture into community development plans through the use of grants, enterprise zones, and by supporting development of art space. States may include arts and culture as part of their tourism strategy, particularly through efforts that promote and market the state’s unique cultural heritage or products.

This is intended to help governors’ unlock the potential of arts and culture within their states to benefit state economies.

Inskeep (1991) gave a clear cut distinction of the components of the travel and tourism industry. Preparatory to the components is the UNWTO (1999) definition of the travel industry which defined the industry as The composite of organizations both public and private that are involved in the development, production, distribution, and marketing of products and services to serve the needs of the travelers.

From the above, it is obvious that the industry is all encompassing being multifaceted and multidimensional in nature as attested from the components of the industry and as identified by Inskeep (1991) to include:

a) Accommodation

The sector which takes 20% - 30% of the tourist expenditure, is serviced by various components of the accommodation services to include; Bed and breakfast – budget; Pension Houses; Youth hostel; Camp ground; Recreational vehicle parks and Cruise; Hotel; and Motel Etc.

b) Infrastructure

Furthermore Inskeep explained that this refers to components found on or below the ground level that provide the basic framework for effective functioning of development systems such as urban areas, industry and tourism. The components further have those basic services to include supply of water, electricity power, sewage and solid waste disposal, drainage and telecommunications which are a few of the critical elements required for the industry to perform efficiently.

c) Transportation

As to whether the tourist travel by Air Sea or land with adequate facilities and services, these are in the areas as of airport terminals, harbors and road systems which involves architectural inputs.

d) Food and Beverage

This sector provides for restaurant, bar and other types of eating and drinking outlets of sizes and services. The business themselves form primary or secondary sources of tourist attractions for destinations such as Lyons, Paris, Rome, Hong Kong, new Orleans abroad and Obudu Ranch, Tinapa Disney World etc in Nigeria.

e) Support Service

Is the last with shopping facilities and services at the destinations which help fulfill the basic as well as
supplementary needs of visitors. The stores which meet
the varying demands of the visitors include:- Souvenir
shops;- Duty free stores;- Laundry facilities;- Grocery
and department stores;- Tour guide services sport and
Recreations retail and rental shops;- Entertainment
facilities as Nite-club, opera etc.

VII. Nigeria’s Policy on Tourism Development

The policy is a guide for action. The Nigeria
tourism industry has been on the road map for
development over time. This is evident in the provisions
of a road map for the harmonization and diversification
of the tourism resources. In 1990, a tourism
development policy was established and was partially
implemented due to non implementation of the
provisions. It was also seen to be a toothless bulldog for
the fact that it was not been funded for action.
Nonetheless, the policy made provisions upon which the
2005 reviewed policy was made more proactive to
tourism development needs in Nigeria. The 2005
reviewed Tourism policy provided for a mandate; Policy
Thrust, institutional framework; funding among others
with the 2006 Nigeria Tourism Development Master Plan
designed along the policy guide.

In the Nigeria Tourism Development Master
Plan of 2006, tourism diversification strategies are
stressed with interests covering all the tourism policy
and development matters. The document produced in
three volumes touched most aspects to do with
sustainable tourism development in line with global best
practices. A new set of reforms was introduced in the
tourism industry with the assistance of the United
Nations. This led to the creation of the “Nigeria Tourism
Master Plan”. The report identified amongst other things
that the number of international visitors to Nigeria had
been static over the last 15 years because of factors like
stodgy entry visa processes, lack of information on
Nigeria amongst tour operators in the west, bad road
networks, and the dilapidated state of many of Nigeria’s
historic sites. Six years after the master plan had been
drawn, the commentary on Nigeria’s tourism industry will
probably be worse. Though there has been a major
influx of global hotel brands into Nigeria in the five years,
especially in Lagos, the commercial capital of Nigeria,
the average cost of these rooms puts it out of reach of
the average holiday maker from Europe and America
especially in these hard times. The tourism master plan
advocated for partnership programs between the
internationally operated hotels in Nigeria and tour
operators in the west to use spare capacity in these
hotels at favourable rates. Five years after, the tourism
and hospitality industry still represents a meagre 0.5% of
Nigeria’s GDP.

VIII. Nigerian Economic Reforms and Tourism

The new thinking on tourism was actually
spurred by the reforms embarked upon by the federal
government, sensing the need to diversify the
government’s revenue base and correct the structural
deficiencies of the economy. These macro-economic
reforms of 2003 to 2007 led to strong growth in sectors
like banking and telecoms. With oil revenue on the
decline and distortions to crude supply owing to the
troubles in the Niger Delta the Nigerian government
looking for ways to breathe new life into the economy
sought to develop the Nigerian tourism sector. Realising
that tourism is a strong alternative to crude oil as a
revenue earner, in view of declining global oil prices,
government selected the industry as one of six priority
areas central to the revival of the economy. Tourism
became a cardinal stone for achieving Nigeria’s 7-point
agenda and its Vision 20:2020 programme and also
attracting foreign direct investment.

The downstream economic impacts from the
“export” revenues of international tourist spending was
estimated to generate additional gross revenue of N29
billion. Unfortunately, tourism and solid minerals were
some of the fragile non-oil sectors which suffered from a
policy shift. The tourism industry has fallen off the radar
once again and is still straddling for attention while more
Nigerians are exporting jobs and revenues to less
endowed destinations like The Gambia.

At the Tourism Conference held in Vancouver,
Canada in 1988, it was estimated that the tourism
arrivals for the year would be 400m while the projected
revenue would rank third among all exports; accounting
for 6% of total world export and representing 25% of
international trade and services. The estimates also
showed that international travel would contribute almost
10-12% of the world’s gross product or US$2.0trillion in
1988. Moreover, a recent survey by the World Tourism
Organization on receipts from international Tourism,
1977-1981, showed the contributions of Tourism to the
economic well-being of some African States including
Nigeria. In 1981, the revenue accruing to Kenya was
US$240m, Morocco US$440m, Tunisia US$581m and
Nigeria US$55m, representing 20.2%, 17.9%, 26.5% and
0.3% of total exports respectively. (Federal Republic of
Nigeria 1998).

a) Capital flight due to patronage of foreign
professionals

The Nigerian Institute of Architects has
condemned the preference by government and
corporate organizations for foreign professionals to
handle building design and construction projects to the
exclusion of their indigenous counterparts. This, the
institute said, had shown insufficient recognition of the
competence and capacity of the Nigerian registered
Architecture, and inappropriately showing undue preference for foreign practitioners, contrary to mandatory provisions in the Architects Registration Council of Nigeria Act. This has implications on national security, economic growth, capacity development, transparency, national pride, job creation and sustainability of the profession. It no doubt runs contrary to the transformation agenda of the Federal Government in regards to the improvement of the quality of delivery of building construction in the country and a positive effect on the welfare of the millions of Nigerians, who are participants in this highly dynamic economic sector.

The global issues of sustainability, eco-architecture/green buildings and various rating systems and their relevance to the country, must undergo innovative adaptation and application for overall socio-economic transformation and cultural rejuvenation. Support is needed for the development and processing of local materials to complement contemporary design goals through constant integration of practice, education and research.

Daramola, (2005) opined that the level of bastardisation is gradually penetrating the rural set-up with alienating foreign design concept that has no bearing with the village architecture. This agrees with the earlier view of Awotona (1987) that the consequence of undue preoccupation with visual order and the aesthetic of the spatial environment in the Western sense is gradual abandoning of the local ways of life, and of doing things. This has led to destruction of the positive features of the traditional patterns and weakening of the economic base of the architectural industry.

IX. Recommendations

The government should implement the already ratified 2006 tourism master plan and develop the tourism industry which is a viable alternative to a mono crude oil economy. An enabling commercial and business environment should be created to support the industry to thrive by encouraging private entrepreneurs willing to invest in architecture and tourism.

Physical infrastructure development like functional road networks, stable and reliable water and electricity supply will be required for the development and growth of the tourism industry.

Construction materials should be locally sourced and developed for use to reduce cost by the encouragement of Research Institutes and Universities through appropriate funding and patent manufacture of their research findings.

Security has to be ensured to create a feeling of safety to potential tourists and investors who directly or indirectly participate as stakeholders in the industry.

Indigenous architects and urban planners should be employed in all areas of the physical and other developmental plans by government or private entrepreneurs to stem capital flight for a positive reinjection and stabilization of funds for the nation.

Nigeria is lagging behind in the area of tourism and infrastructural development and is fast losing its commercial and industrial position to other neighbouring countries like Gambia and Ghana consequently losing accruable revenue and job creation activities. Government can generate jobs by creating a wholesome environment to enable business and commercial activities thrive, which will offer invaluable opportunities to the youths. This will further assist in ensuring peace, security and multiplied economic progress in the society.

X. Conclusion

This paper looked at architecture as the prime facilitator of the built environment in terms of design, planning and physical project execution be it buildings, landscape and the totality of urban design and the concomitant totality of human activities. Therefore the economic effects of the architectural stimulus is all encompassing since modern human endeavours are carried out in the planned space, be they open or enclosed.

Even though architecture has contributed to the economic development of Nigeria in terms of good quality designs for private, corporate and government clients while effectively stimulating other related economic activities carried out from design to construction and use of the facility, its other financial and economic benefits in the tourism sector is largely untapped and is comparatively low in Nigeria.

Architects as urban designers are involved in building designs as well as landscape designs primarily and are equally involved in other design related fields and so contribute immensely to the socio-economic development of a nation through the attraction of tourists and hence revenue to places of scenic beauty like Tinapa in Cross Rivers State of Nigeria and the millennium park in Chicago in America. There is a lot of revenue accruable to tourism and man-made scenes of beauty besides existing natural features. There is always a good return on investments. There is an astounding cost benefit that nations of the world are keying into in order to reap the benefits and create job opportunities for their citizens.

References Références Referencias


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