

Local Processes and Actors as key factors in the creative economy in Port Harcourt, Nigeria

Conceptual Background

The concept of a creative economy as understood in the context of technologically advanced economies has been linked severally to innovation leading to the creation of new products and processes, a highly educated and skilled work force advanced information and technologies. However, in a divergent world environment, countries in the developing world with their relatively low levels of technology and poor state of public infrastructure, the creative economy must be one that stimulates local economic growth, one that allows local people to take advantage of improvements in technological development in order to create new livelihood systems that will lead ultimately to more jobs and increased incomes. The creative economy is significant to the extent in which it impacts positively on the lives of ordinary people. At its heart, the creative economy in an LDC like Nigeria is a local economic phenomenon. This interpretation, which is adopted in this case study, is based on the challenges of the urbanization experience in these nations, and characterized by the following:

- weak infrastructure based producing an urban dichotomy with affluence and extreme poverty existing side by side;
- inadequate institutional and managerial capacities to manage cities as political, social and economic entities;
- extremely poor living standards
- under provision in virtually all types of service
- rapidly growing but under-resourced cities.

It has been rightly stated that, for all the wealth concentrated in cities of LDCs, poverty is widespread and the informal economy occupies the majority of the labour force (Castells, 2000). This according to him is occurring in the midst of a most extraordinary technological revolution. Evans (2000) summarized that “the poor cities of the developing world are often vibrant hubs of global economic and cultural activity”, but are for ordinary citizens increasingly unlivable. Furthermore he suggests that whereas, “the large cities of the Third World are becoming world cities, increasingly important needs in the financial and productive networks of the global economy”, they are not providing livelihoods and healthy habitats for ordinary people (Evans, 2000:1). Enrique Ortiz Flores (1996) identified two urban futures, the city of globalization and money and the city of places and people. This supports Evans in the idea that the power, the control of new technologies and the ability to disseminate new symbols are concentrated within the cities. Power he suggests is exercised through information flows; citing Manuel Castells who states that the space of the flows now rules over the space of the places. However, the world of flows and systems is still abstract and distant from most of us especially in less developed countries. Technological development in Nigeria, is driven by multi-national companies. Foreign direct investment (FDI), in collaboration with Nigerian affiliates has taken the initiative. Local people attempt to key into this. A good example is that of mobile phone technology. Vidler (1999) argues that it is important to

place cities in a global and national context in order to account for city-level economic performances and understanding the environment within which city governments operate. Evans argues that the coin of livability has two faces – livelihoods and ecological sustainability. Livelihoods must also be sustainable to be meaningful with jobs and wages commensurate with rents and access to the services that make for a healthful habitat. In the emerging culture of global competition, a city must be seen to function before it can attract investment. Thus, investment in urban infrastructure would help to create an image and atmosphere of dynamism.

Urban space is a contextual issue. Whereas most discussions center on physical urban space, the urban system consists of people, as well as activities. There are the physical as well as political spaces wherein policies are made and articulated. As suggested by Brock et al. (2001) conceptualizing policy arenas as “spaces” focuses on these spaces as sites in which different discourses and policy actors interact. This suggests that urban space is made up of multiple spaces – one with a wide range of actors. Such actors according to Devas (1999) include municipal governments, public utilities, central government, formal sector businesses, informal sector businesses, households, non-governmental organizations and civil society organizations, local community-based organizations and even international development agencies. It has been hypothesized that these different actors and interests influence what happens within cities (including its physical urban form and land use) through formal and informal processes of decision – making and implementation. This case study is based on Port Harcourt’s urban transformation arising from rapid expansion of telecommunications industry in Nigeria with a focus on mobile phone and internet services. This paper suggests that what manifests in the physical form of the city, derives from decisions made by these actors over time. Thus the spaces needed for the creative economy include land, buildings and specific policies. This case study has the following objectives:

1. to examine the lack of appropriate response to transformations in the use of urban spaces in Port Harcourt occasioned by internet and mobile phone use;
2. to identify the factors militating against effective planning of the city such that it has not been able to take advantage of developments in the telecommunications industry in Nigeria; and
3. to propose relevant changes in the urban governance in Port Harcourt so that the city can realize its full potential as a regional centre of growing national importance.

The City of Port Harcourt: Historical and Economic Transformations

Port Harcourt is the capital city of the Rivers State, Nigeria. It remains one of the fastest growing urban centres in the country in terms of population in view of its strategic socio-economic importance. It lies approximately between latitude 4^o 42’ and 4^o 47’ North and Longitude 6^o 55’ and 7^o 08’ East. The Port Harcourt metropolitan area has an area extending to a radius of 24 km (Specialists Konsult, 1975). Port Harcourt metropolis is made up of two local government areas namely: Port Harcourt Local Government Area and Obio/Akpor Local Government Area. Situated about 40 km up the Bonny river, it has a small but deep water Port that contributes immensely to the economy of the state and country. The metropolis has become one of Nigeria’s most important industrial centers. It is also the nodal point of the most important industrial axis in the country

presently (see fig. 1). It is an important centre of retail and service companies. In 2004, Port Harcourt's population was estimated at 1,017,461 persons (Rivers State Statistical Agency). About 72% of these are migrants to the city.

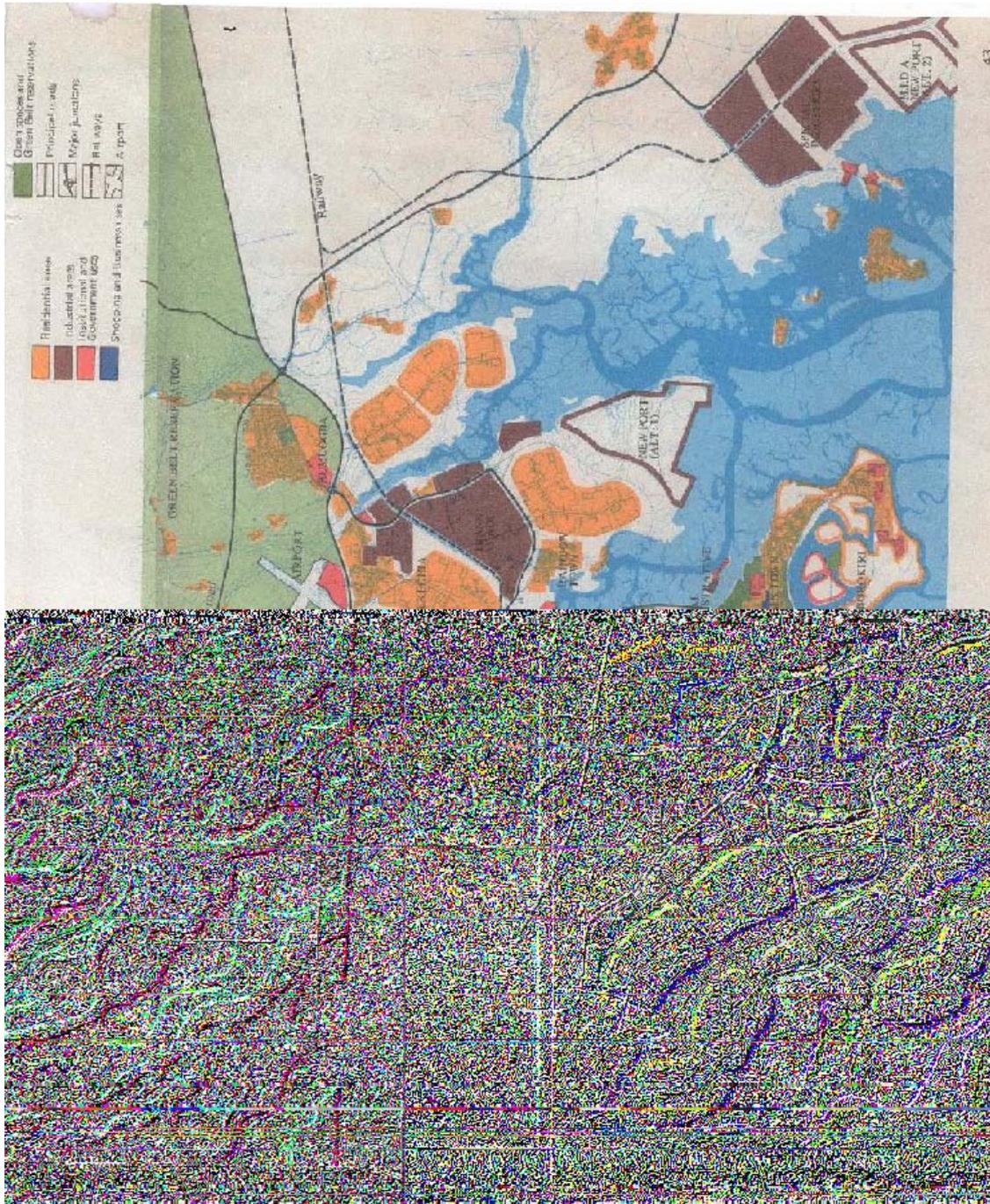


Fig 1. Port Harcourt Inner Core. Source: Port Harcourt Master Plan 1975 - 2002

Port Harcourt has a history of town planning that began with its establishment in 1914 by the British colonial government. Port Harcourt has been transformed to the third most important city in Nigeria. As a modern city, it was made possible by the enactment in 1917 of the Public Lands Acquisition Ordinance. The ordinance empowered the then governor to acquire land compulsorily for public purposes. Also, the Township Ordinance of 1917 categorized cities in the country into first, second and third class townships. Port Harcourt was a second class township. By 1927, railway terminus and sea ports were fully constructed and attracted more people to the city. A colonial development plan for the territory was prepared under the Town and Country Planning Ordinance CAP 126 of the Laws of Eastern Nigeria, 1948 (Oyesiku,1988). An immediate impact of the ordinance was residential segregation into government reservation areas and native areas with different standards of service provision, plot sizes and house types. In the years following the creation of Rivers State from the former Eastern Region of Nigeria in 1967, urban planning in Port Harcourt has had a checkered history. Attempts to establish a Port Harcourt Metropolitan Planning Authority in 1975 failed even though a master plan was prepared by the government at the time. The present chaotic nature of physical development in the city can be traced to this failure.

The industrial development of the city was based on its port and railway activities. In 1957, Shell B.P. moved its residential and industrial bases from the Owerri to Port Harcourt. This subsequently attracted more companies to the growing city. The Port Industrial Complex and Trans-Amadi Industrial Layout were prepared as site and service schemes in 1959. The Trans-Amadi Industrial layout is still the largest single industrial site in the metropolitan area covering 1,012.5 hectares with road and rail access. However with urban expansion, the decline of secondary industry and growth of the commercial and service sectors have come a distribution of business and industrial premises that is not tied to specific layouts. The current distribution of industries within Port Harcourt is based on cost of acquiring land and building or renting premises, accessibility and security. It has led to conversion of once residential properties even in low density, government reservation areas to office blocks and commercial areas (Omubo, 1998). Also, new office blocks often of multiple storeys are growing in government reservation areas and along major distributor roads in the city. Majority of the growth industries in the emerging urban economy are located in these new structures.

The city has up to fifty banks, one hundred and fifty-four hotels, seven multi-national telecommunications companies and a large number of local mobile phone and internet service providers. The major multinational oil companies have their head offices in Port Harcourt. Thus it is of strategic importance to the national economy which is dependent on oil and gas exploration and exportation. On the eastern periphery of the city are located the Nigerian Petrochemical Plant and two petroleum refineries. The Nigerian Liquefied Natural Gas Plant is located 40 km down the Bonny River but a proposed land route is under construction. An international airport is located at Omagwa, about 24 km to the north of the city. The old airport, once purely used for domestic services is presently hosting the Nigerian Air force and is sometimes used by oil company's light air crafts. Many private jetties used by oil servicing companies and cements companies exist in the city located in its harbour. The service industry is the strength of the city's economy.

In spite of the recent growth in the urban economy the city records high unemployment levels with over 60% of households classified as low income, living on less than the national minimum wage of \$55 USA per month.

Space for the Creative Economy in Port Harcourt: The Challenges of Telecommunication Services

Technological innovation specifically, the introduction of the internet and mobile phone technology has made significant improvement in service provision in the telecommunications system in the country. The use of the internet preceded that of the mobile phones, but by 1999, when mobile phones were introduced into the country by international investors, Nigerians were prepared to take advantage of it. Presently, the three biggest service providers have between them over 5 million subscribers nationwide with great potential for growth as installed capacity expands and quality of service improves. Significantly in terms of the economy, social values including attitudes to public services, work habits, inter-personal interactions, and family business, mobile phones and internet services have made positive impact. There are some negative impacts of mobile phones especially with the use by criminals to facilitate their activities such as robberies. However, the positive impacts are much greater. One of the most far reaching positive impacts of mobile phone technology is the empowerment of the individual small – scale entrepreneur who can now armed with a mobile phone but not needing an office address carry out his business. All over the city, placed on fences, are advertised services with only a mobile phone number as address. Telephone numbers are now contact sources for small businesses. Apart from mobile phone services are some other land line providers – all trans-national companies, - like Intercellular, VG Communications, Starcom, who use satellite technology to provide telephone and internet services to businesses and homes. In Port Harcourt there are seventeen major private telecommunication operators. Many subscribers agree that although their tariffs are higher than those charged by the Nigerian Telecommunications company (NITEL), the quality of service they provide is more reliable. Urban-urban telecommunications linkages and even rural-urban linkages have vastly improved. Across major highways in the country, mobile phones provide almost continuous communication coverage, thereby linking small rural communities to other parts of the country and the world. The use of the internet has increased the availability of academic and research information across the country.

In the Port Harcourt city region the three major mobile telephone service companies – MTN, V-Mobile and Globacom have between them almost have a million subscribers. This is in comparison To NITEL's installed capacity of 10,000 land lines and 8,500 subscribers. 11% of registered businesses in the Obio/Akpor Local Government Area of the city comprise of computer companies and internet café's. All of these are open to public use on payment of changes. Even the British Council's commercial liaison office in Port Harcourt offers internet service accessible to the public on payment of subscription.

However, the most significant impact of internet and mobile phone technology is in job creation and improving livelihoods. The use of mobile phones for commercial purposes has enabled unemployed school leavers to own their own businesses. Many sell re-charge cards on the streets. Even small shop owners add on mobile phone services as additional source of income. Simply put, it is the fastest growing commercial enterprise in Nigeria today. The cost of owning a mobile phone line is twenty times cheaper than that of owning a land line from the Nigerian Telecommunications company. Urban

planning skills and existing planning policies are found to be totally inadequate to cope with the organization of urban space for these new developments. In the past, planners have concerned themselves, with allocation of land within planning schemes, for various competing uses. The scale and nature of operation associated with this new technology is such that it is difficult to allocate space to them. With the mobile phones, the unit of business is small employing only one person and requiring no plot allocation. This pattern of development does not fit into any category of land use control and the growth in the industry unplanned for.

The challenges are with the commercial nature of the spread, which have brought about mobile telephone kiosks all over the city. These kiosks are situated at street corners, bus stops, petrol filling stations, corridors of large buildings, university campuses, in school premises, within and near super markets, on street pavements, motor parks, and virtually anywhere people gather. Mobile phone kiosks usually consist of a large umbrella for sunshade, a collapsible plastic table, two plastic chairs and a handset (mobile phone). Their customers are any body from any where interested in making calls. They have no fixed locations. With the agreement of the shop front or home owners, the kiosk can be placed any where, creating obstruction on street pavement, and impairing road vision considerably. Normally, town planners allocate space in such a way that agglomeration economies, created from juxtaposition and spatial proximity amongst economic activities increase and improve the economic efficiency of establishments. Mobile phones and internet services have emerged with a new spatial pattern in which the competition for site is mainly determined by accessibility and availability. The planners have not figured out how to respond to this.

Internet cafés locate essentially within residential areas and along busy roads. Residential accommodation even in Government Reservation Areas is increasingly being converted into office use with tall communication masts installed. These communication masts are not yet under planning control. As soon as the business premises are registered with the local government and the necessary licensing fees paid, the service can operate undisturbed.

Local Processes Affecting Mobile Telephone and Internet Services

Mobile and internet services need land for offices and service infrastructure including booster stations and communication masts. Thus far, they have depended on lease agreements with individual landowners. These acquisitions and the ensuing locational decisions are made outside the formal planning process. Each of the major operators has many of such acquisitions and has established property divisions to manage them. In examining the local processes affecting telecommunications operations therefore, the key issues will include the existing land use planning process, urban infrastructure provision and relationship with local communities.

(i) Land Use Planning

Physical planning in Port Harcourt is presently limited to development control activities. There is no physical development plan to guide what town planners do. The Port Harcourt master plan was never properly implemented and its lifespan expired in 2002. There are no agreed policy guidelines either. Much of the development in the city does not go through official processes of approval. The land acquisition process is also dominated by the informal land market where prospective developers negotiate with local land owners, purchase the land and proceed to develop without official registration of titles. In the meantime, the local governments are imposing arbitrary levies on every

site within their areas of jurisdiction because they regard every site on which there is a mast as an advertisement. Local government levies are becoming a deterrent to network coverage as sites become more expensive to acquire. Another area of concern to operators is the uncertainty in the operating environment. Local government councils can give a particular schedule of fees to service providers at the beginning of the year and arbitrarily increase the fees without informing operators. It leaves the system open to abuse. The state Physical Planning and Development Law of 2003 has not been fully implemented as the administrative framework proposed under it (including the setting up of a state Planning Board and local planning authorities) is not yet established. Whereas site development is an engineering work and should come under development control, under planning laws, individuals carve up their plots and offer these to service providers to install masts without following plan approval procedures. Moreover, there are conflicts and inherent contradictions which make the law moribund and difficult to implement. The functions of Urban and Regional Planning are under the Commissioner of Housing and Urban Development but the implementation of the law is under the Adviser on Land Bureau, a quasi- ministerial set up under the office of the Governor who is responsible for appointing the members of the State Planning Board and supervising their activities. This nurtured conditions for conflicts of interest and authority among these two arms of government.

At the local government level, there are no Planning Authorities established as required by the law. Urban planners are seconded from the State Ministry of Housing and Urban Development to the local governments to carry out planning functions. The local government councils are without clearly defined structures for urban planning. Both state and local governments use arbitrary and ad hoc agencies such as task forces and committees to carry out important planning functions. Also, local government councils arbitrarily impose fees and taxes. In a recent local television programme, small scale individual operators of commercial mobile phone services alleged that local government council touts regularly harassed them, confiscating the umbrellas and chairs they used in the trade. The implications of this include; the absence of an articulated strategy for managing urban land use, the absence of a policy frame, the lack of continuity in the land use planning process and the absence of an administrative structure that is capable of responding to the challenges of the creative economy. If there had been policy guidelines on where these operators can locate, what fees should be paid officially and who should be responsible for collecting the fees, this harassment could not occur. Those who are engaged in the creative economy as exemplified here by the telecommunications industry are left without any policy or institutional support that are necessary to support its growth.

(ii) Infrastructure Provision

By far the most important infrastructure need of internet and mobile phone service providers is power. Port Harcourt suffers from a chronic under provision of all types of infrastructure. For the internet and mobile phone operators, the uninterrupted supply of electricity is very important. Yet this service is very epileptic. The main telecommunication operators cannot rely on public sector power supply so they have to provide generators at all booster stations, complete with an employee to switch the generator on and off at each station. This increases the operational cost and is then passed on to subscribers as higher tariffs. Smaller internet café owners cannot remain operational without standby generators. The use of private power generating sets pollutes the air, the land and generates so much noise. Power supply is the responsibility of the national and state governments.

(iii) Local communities/Industry Conflicts

Land for development is increasingly scarce in Port Harcourt. As industries and service companies seek to locate, local communities engage in making demands for community development levies, jobs for the youths and often just outright payments of huge sums of money referred to locally as “settlement”. When these demands are not met, the youths often blockade the entrance to the companies and interrupt their work. Major telecommunication operators engage the services of armed mobile policemen for the security of their staff and offices. The state and local governments are silent on these incidences. The recourse to individual plots for installing masts is also to beef up security for their installations. It is the unofficial stand of governments (both local and state) that companies negotiate with local communities or seek reprieve in the law courts, a choice that is clearly not acceptable to businesses, especially multinational companies that are concerned about their reputations. Internet cafes are open throughout the night allowing users to browse at reduced rates. Young people patronize this time. Security is a key concern and it is the reason why most internet centers locate within built up residential areas.

Recommendations and Conclusions

To respond appropriately to the new challenges posed by telecommunication companies and businesses would require change in two key areas. These are: policies and laws, and public institutions. Specifically the strategic approach to urban planning is advocated. To a large extent the problems associated with making space for the creative economy derive from the broader problem of urban physical planning and local institutions failing to redefine their roles in a rapidly changing environment. The strategic approach takes the main potentials and problems of urban areas into account and identifies effective ways to work in cities and towns, and links these in a practical manner into how development plans are formulated. The strategic approach sets out a framework for approaching urban development by emphasizing the goal of socially, economically and environmentally sustainable urban development built on the two pillars of good urban governance and good urban management. These are serious problem areas in Nigeria (Falade, 2002).

To a large extent, urban planning in Nigeria is still not pro-active. It is also still focused on land use zoning without attention to local economic development. The plans produced are neither flexible nor comprehensive. They became outdated even before completion as the urban system changes at a more rapid rate than plan preparation progresses. The result is a mismatch between the tools of planning and the problems that planning is expected to deal with. There is need for the Rivers State government and the two local government councils to re-establish land-use planning firmly as an activity of government with an appropriate administrative structure, backed by legislation, but not with emphasis on master plans as an end product. This is important if physical planning is to be awakened from its moribund state and be capable of responding to the need of creative enterprises. In spite of the footloose nature of mobile phone service operators, some of control is required of their locations. Planners can begin to think of appropriate kinds of strip developments, suitable kiosk designs that can offer some protection from climatic elements and vehicular traffic to operators. Kiosk designs can be fashioned in partnership with local entrepreneurs. This can further stimulate the local economy.

There is need for a new type of planning that allows policies as a guideline for urban development. This will introduce flexibility and also provide space for new technology. Local governments need a new definition of its role in urban governance. Local governments in Nigeria are still operating in the context of their colonial past where the emphasis is on collection of rates and various fees. Much of these funds do not get into proper investment for the public good. Modern urban growth has new demands particularly that of local economic development. The rapid rate in use of mobile phones for commercial phone services is testimony to this fact. Urban dwellers are desperate to make a living. Municipal authorities cannot ignore these demands if they want to be relevant to the people. With widespread poverty in most cities of the less developed world, including Port Harcourt, these demands become even more critical. Governments in Nigeria, both state and local, must realize and accept the fact that the creative potential of the telecommunications industry in Nigeria is firmly in the hands of multinational companies and ordinary people living in urban centers. To key into this potential require public/ private sector partnerships based on consultations, recognition of roles and responsibilities and the willingness to learn from the experiences of these companies. The era when urban structure and locational decisions were dictated by government lay out schemes is long over. The private sector and individuals are making those decisions now and affecting new urban growth patterns. Only by bringing them into partnership can government planners and policy makers aim to remain relevant in the process of urban transformation.

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