

Effects of Abandoned Highway Construction Project in the Nigerian Economy: A Case Study of Enugu - Onitsha Highway Road

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Abstract

Despite the fact that Nigeria is the giant of Africa and has a lot of rich human and natural resources, many of its roads or highways are in terrible conditions, and they have become death traps and nightmares for the citizens. Hence, the main objective of this study is to assess or determine the effects of abandoned road construction projects in Nigeria using Enugu-Onitsha highway road as a case study. Structured questionnaires were distributed to the regular road users (drivers) such as Peace Mass Transport, God Is Good, Onitsha South Transport, GUO Transport drivers who use the road daily for the past five years. Descriptive statistics was used to analyze the data. The study also used Cost Benefit Analysis theory (CBA) to drive home its message. The study found out that the abandoned Onitsha-Enugu highway road has economically affected many Nigerians, more especially the daily users. It has disrupted a lot of economic activities and has also resulted to lots of mishaps such as constant accidents, arm robberies and losses of lives. The findings also showed that economic life of the people, especially longevity and lifestyle, has been affected. Hence, to drastically reduce this negative effect, the study therefore recommended that government should award contracts to those contractors that have strong financial base for their projects, and should make every effort to supervise the work for the safety of the citizens, and when there is a change in administration, previously commenced project should not be abandoned.

Keywords: Economic impact, Project Construction, Project Abandonment, Cost Benefit Analysis (CBA), Enugu, Onitsha.

1. Introduction

Road construction projects in Nigeria are confronted with a lot of complexities and ambiguities as a result of uncertainties of not meeting project deadlines which also hinge on low quality and cost overruns, which invariably lead to failure and abandoned of such projects. According to Ubani and Ononuju (2013), incessant failure and abandonment of road projects by the public sector in Nigeria has affected the development of the country. By abandonment, one means to leave something, especially something you are responsible for with no intention of returning to it (Advanced Learners' Dictionary, 2007).

The road construction project is known to be the primary and focal point on which the development of any country rests. It is viewed as the live wire as well as an instrument of choice of a country due to its role in providing the basic requirements for the entire citizenry. To a greater extent, the growth and development of a country is determined by the quality and capability of its products from the road construction sector.

Unfortunately, the inherent complex, uncertain and dynamic state of most road construction projects created obvious problems of not achieving their initially stated objectives. Despite Nigeria's position as the largest economy compared to other African countries, Nigeria has persistently performed poorly in terms of providing for her citizens the best life can offer in terms of good roads.

Construction is an industry that involves complex and dynamic processes. It consists of successful coordination of multiple discrete business entities such as professionals, tradesmen, manufacturers, trade unions, investors, local authorities, specialists, trade contractors, and others. Road construction projects impact on a nation's economy and successful completion of this construction projects leads to wealth creation, socio-economic growth and improved standards of living. Nations are evaluated as "developed", "developing" and "underdeveloped" based on the quantity and quality of completed road construction projects in their domain.

However, in every project to be undertaken, planning is very important, hence the rate of abandoned road project in the South Eastern Nigeria is so alarming, for examples, Awka-Onitsha express road, Enugu-Onitsha express road, Nnobi-Igboukwu express road, to mention but few. However, this study is focusing its attention on Enugu-Onitsha express road.

This abandonment on road construction projects therefore impacts on the economic projections of these states and the nation at large. Delays in the completion of abandoned highway construction projects are one of the most recurring problems facing the country. It has resulted to costly, risky and undesirable consequences on the projects' success in terms of time, cost, quality and safety. That said, the daring influences exerted on the overall economy of a country by these road construction projects, especially the abandoned ones cannot be taken for granted.

2. Statement of Problem

In many parts of Nigeria, normal interactions have been frustrated by abandoned roads. Vehicles owners are in distress as their vehicles are not used optimally. Travelling by road, especially in the South East, and particularly in Enugu-Onitsha highway, which is our case study, is a nightmare as the roads are in terrible conditions despite the so-called huge expenditure on their reconstruction and maintenance. This failure of the Enugu-Onitsha highway bugs the mind of its regular users, and the lack of maintenance of this road has resulted to the formation of big potholes on the lanes; the accumulations of flood along the highway, environmental pollution and erosion have completely cut off a section of its lanes. In fact, these problems have become an embarrassing stigma for those who use it.

In addition, these dents have also resulted in many vehicles breaking down on the Enugu-Onitsha highway. Hence, emergency mechanics have sprung up to assist stranded drivers and commuters, sometimes with disastrous consequences. The road, as a matter of fact, is so deplorable that most vehicles which ply that road invariably end up at mechanics' workshops at the end of every journey. Armed robberies, raping and other mischievous activities have assumed steady menaces along this road, particularly at night. There have been accidents and in some cases, loss of lives and property.

Based on this, the researchers seek to add to the existing knowledge by investigating on the economic impact of this abandoned highway construction project in Nigeria, with special reference to that of Enugu – Onitsha highway, which has caused a lot of problem to those who use it. This study will help to proffer solution that will drastically reduce abandonment of road projects in Nigeria.

3. Cost Benefit Analysis: Theoretical Consideration

This study here examines three theories that are often encountered in cost-benefit analysis, namely; – Preference theory, Lifetime Well-being theory and Sum-of-Specific Damage (SSD) theory. The study considers and adopts the appropriate one in order to drive home its salient message.

For cost-benefit analysis to be seen as an evaluation, it needs to estimate costs and benefits and their true value. Also, it needs to be based on a theory of value, aimed at determining what cost and benefits truly are; it is in real thinking, the practical end of valuing (Broome 2000). Such a cost-benefit analysis takes for granted the comparison of the goodness of two states of affairs.

Also incorporated into practical cost-benefit analysis for a long time are the harm of death and the benefit of saving lives. One of the ways of incorporating these variables into CBA is the consideration of person's preference. It follows that rational persons arrange their needs in the order of preference. Economists always represent people's preference ordinally by way of utility function. A cost-benefit analyst, who adopts the preference theory or bases his or her values on preference, would like the economists to use utility as his or her measure of value (Pindyck & Rubinfeld 2005; IMD Little 2003).

Following this theory, the particular utility function used by most cost benefit analysts for valuing life is one known as "willingness-to-pay" – (one of the classes of functions called "money-metric utilities"). The "willingness-to-pay" bases the value of a person's life on the money she is willing to pay to reduce a risk to her life.

A person's willingness-to-pay is most times used in cost-benefit analysis to provide a cardinal scale of value and a basis for interpersonal comparisons of value. The effect of using it for inter personal comparisons is to treat a naira as equally as valuable to one person as to any other person. However, a naira is manifestly not equally as valuable to one person as it is to any other person. A naira to a peasant in Somalia will sustain life for a while whereas a naira to an affluent Nigerian who already has all the necessities of life will buy nothing of significant value. Using willingness to pay as a measure of value can result to absurdity. For Broome (2000), the absurdity is not inherent in the project of basing values on people's preferences but it results from adopting a money-metric utility function to represent a person's preferences rather than some other utility function.

Secondly, Cost-benefit analysis can be done in the alternative using the lifetime well-being theory; a theory about the value of a life which is associated with Broome (2000) as an update that takes care of the shortcomings of the former with the following assumptions: The first assumption is that the goodness of a person's life depends only on how long it continues and on how well it goes at each time it is in progress. A person is born at some time and dies at some time, and at each time in between, her life goes well (or badly) to some degree. The second assumption is that there is no backward causation of temporal wellbeing. One may ask, "Can events that occur in a person's life affect her temporal wellbeing at earlier times?" Just like when one writes a book that later turns out to be influential. "The event of its becoming influential may add value to all the earlier time you spent writing it, by making your work during all those times worthwhile. That is arguable but for simplicity let us assume away the backward causation" (Broome, 2000).

It can then be said that the benefit of saving someone's life is the total temporal wellbeing she goes on to enjoy in the rest of her life after she is saved. This is the simplified version of Broome's total theory.

The term, "temporal wellbeing", in context of discussion refers to how well the life goes at a particular

time; and by another term, “life time well being”, one refers to the goodness of the life as a whole. Based on the premise, it is now logical to conclude that a person’s life time well being depends only on the length of her life and on the temporal well being of her life at all times.

The temporal well being meant in the theory, is to be measured on the cardinal scale. The cardinality is a necessary and sufficient because the temporal wellbeing is a discrete issue. The theory also fixes a zero of temporal well being because the zero makes a difference when it comes to comparing life of different lengths. However, by comparing life at different lengths, the scale of well-being automatically becomes more than cardinal; it rather assumes a ratio scale and it is commonsensical at this level.

Life time wellbeing theory, simply put with already noted assumptions, argues that in trying to save a person’s life, the benefit that results is the well-being that the person goes on to enjoy in the rest of his or her life. Saving one’s life adds well-being to the world in this way, and that is why people value it. “But saving a life often adds well-being to the world in a different way too. If a person is saved, she may well later have a child, who would never have existed had this person not been saved. The child will enjoy well-being during her life; her life will be good (or bad) to some degree” (Broome, 2000). Why should we not count the child’s well-being as part of the benefit of saving the existing person’s life, if we count the well-being of the person herself? However, saving a life adds well-being to the world, and so does creating life. Broome (2000) suggests that we should value one and the other as well. Given that cost-benefit analysis must rest on a theory of value and the theory must account for population changes. Very many events lead to the existence of new people, and many events prevent the existence of people who otherwise would have existed. If a person is added to the population, she will have some lifetime well-being; her life will have some value. This value must be the benefit of her existence, which must be added into our cost-benefit calculations (see Broome, 2000).

Thirdly, another theory to consider is the Sum-of-Specific-damages (SSD). The idea, according to Graves (2007) is to first gauge how much an environmental policy will reduce physical damages (ΔD), of a wide variety. Then, values ($\$V$) are placed on each category of damage, with for example a prevented life lost being valued higher and prevention of an asthma attack much less. The marginal benefits -to be compared to the marginal costs - of the policy will then be the sum of all of the reductions in physical effects times their respective values: $\text{Marginal Benefits} = \sum (\Delta D) \V . The decision rule here therefore is that if the total damage times the monetary value placed on it is lower than marginal benefits, then the project is good and therefore should be chosen.

This simplistic theory, as conceived by Graves (2007), tends to look at short run specific damage to a particular environment, given an attendant policy which perhaps places cost to violation just like the Nigerian government places some fines on the road construction industry that fails to complete its work which actually never reflects the actual damage done to the road users.

The objective of the paper goes beyond the mere assignment of values to damage done and comparison between marginal benefit. Therefore, the Sum-of-Specific-Damage (SSD) is not plausible in the cost-benefit analysis that considers the population of people in the environment and other variables in the environment. Profitability is not the sole concern of cost-benefit frame-work, it also considers of essence, the sustainability as well as the long term wellbeing of the people. Hence this paper adopts the life time wellbeing (CBA) theory proposed by Broome (2000) as its working theory in the study of abandoned road construction project of Enugu-Onitsha Highway.

4. Methodology

The methodology adopted, ensured that information relevant to the study’s problem were obtained *via* questionnaires. The study explored the economic impacts of road project abandonment which were all represented in the structured questionnaires distributed to the participants. The participants are to ascertain in their responses the most essential economic impact of road project abandonment. The participants were mostly the drivers of Peace Mass Transport, God Is Good Motors, Onitsha South Transport, GUO Transport drivers who use the road daily for the past five years and few other well known constant users of the road. A total of 250 participants were given the questionnaires to answer but 200 completed the questionnaires. Completed questionnaires were analyzed using descriptive statistics. The participants rated each of the impact (factor) on a scale of 1-5. The five scales were transferred to relative importance indices for each of the effects of road project abandonment. The ratings were as follows: **No Extent, Very Little Extent, Little Extent, Great Extent and Very Great Extent.**

5. Data Presentation

Economic Impact of abandoned highway construction project

| S/N Impact | No Extent | Very extent | little extent | Little extent | Great extent | Very great extent | Total |
|--|-----------|-------------|---------------|---------------|--------------|-------------------|-------|
| 1. Loss of lives | 0 | 0 | 0 | 0 | 0 | 200 | 200 |
| 2. Loss of properties | 0 | 0 | 5 | 18 | 177 | 200 | 200 |
| 3. Environmental pollution | 0 | 1 | 1 | 15 | 183 | 200 | 200 |
| 4. Destruction of vehicles | 0 | 2 | 4 | 10 | 184 | 200 | 200 |
| 5. Erosion | 0 | 1 | 3 | 13 | 184 | 200 | 200 |
| 6. Congestion & high volume of traffic | 0 | 1 | 2 | 10 | 187 | 200 | 200 |
| 7. Armed robbery | 0 | 2 | 2 | 2 | 194 | 200 | 200 |
| 8. Reduction in employment opportunities | 0 | 2 | 3 | 20 | 175 | 200 | 200 |
| 9. Decrease in thse tempo of economic activities | 0 | 1 | 4 | 1 | 194 | 200 | 200 |
| 10. Revenue reduction | 0 | 1 | 3 | 0 | 196 | 200 | 200 |
| 11. Wastage of resources | 0 | 1 | 2 | 0 | 197 | 200 | 200 |
| 12. Lowering of the peoples living standard | 0 | 1 | 4 | 8 | 187 | 200 | 200 |

6. Discussion of Findings

Findings from the data collected, the economic impact of abandoned highway construction includes: loss of lives had 88.5%, loss of properties is 91.5%, Environmental Pollution had 92%, Destruction of vehicles goes with 92%, Erosion had 93.5%, Congestion & high volume of traffic had 97%, Armed robbery goes with 87.5%, Reduction in employment opportunities had 97%, Decrease in the tempo of economic activities moves with 98%, Revenue reduction goes with 98.5% and Wastage of resources Lowering of the peoples living standard had 93.5%.

Some of these effects are also found in the works of Ayodele and Alabi (2011) on abandonment of construction projects in Nigeria, which they carried out in Nigeria using five different states Ondo, Osun, Ogun, Ekiti, Oyo and Lagos States as a case study and also Adesina (2010) who investigated into the causes and effects of project abandonment in Nigeria considering Ondo State as case study.

However, from data presented above, one can conclude that revenue reduction has the highest percentage. This indicates that revenue which transporters gets everyday has been reduced due to bad roads. "Time," they said, "is money" and time delayed due to bad roads definitely will affect the daily income.

7. Recommendations

Following the findings of the study, the following recommendations are made to ameliorate these negative impact and effects:

- The Nigerian government should ensure that they award road construction project contracts to those who are capable of completing the projects.
- That government should award contracts to those contractors that have strong financial base for their project.
- Nigerian government should make every effort to supervise the work for the safety of the citizens and when there is change in administration, previously commenced project should not be abandoned.
- The most important and immediate consequences of environmental pollution takes the form of damage to human health. Not only is health an end in itself, but a healthy work force is essential to the development process as a whole, hence Nigerian government has an urgent to help the citizens living in this area.
- Finally, the government should consider making always good use of the life time well being theory when undertaking such work because when they save and value the life of the peoples/citizens it can then be said that the benefit of saving someone's life is the total temporal wellbeing she goes on to enjoy in the rest of her life after she is saved. This is the simplified version of Broome's total theory.

8. Conclusion

What logically follows the analysis of abandoned highway project of Enugu-Onitsha express way is that the users of the road have been exposed to such scourge and brazen environmental abuse for a length of time and they may have lost all essential life's sustaining elements. That is, several issues bordering on life and longevity

have been gravely affected. So the position of our study is as follows: Federal government should urgently look into the environments for immediate remediation and restoration of this road for the betterment of the people living in this environment. Having said this, we will like to acknowledge the support rendered to the study by the employers and employees of Peace Mass Transport Ltd, God Is Good Motors Ltd, Onitsha South Transport Ltd and GUO Transport Ltd.

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