

# 1 Governance Business Unusual Policy and Political Economy of Demolition in Nigeria: Enugu State Business Premises Experience

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3

## 4 Abstract

5

6 This study examined the political and economic factors driving the demolition of business premises in Enugu State, Nigeria, highlighting the  
7 tensions between state-led development initiatives and the interests of local business communities. Guided by Urban Political Economy Theory,  
8 this research aims to determine if urban renewal, modernization and gentrification accounted for the demolition of business premises in Enugu  
9 State, using a case study design and mixed methods approach combining documentary and focus group discussions. Content analysis and  
10 participatory observation were employed to identify patterns and themes in the data. Findings revealed that the urban renewal, modernization  
11 and gentrification accounted for the demolition of business premises, in line with the thrust of Governance Business Unusual Policy, which is  
12 driven by a desire to assert state control over urban spaces, promote neoliberal development agenda, and facilitate gentrification, resulting into  
13 significant economic losses, hardship, social dislocation, and human rights violations. It recommended the need for inclusive urban planning,  
14 community engagement, and participatory governance to ensure that development initiatives prioritize the needs and interests of local businesses  
15 and communities. The study contributes to our understanding of the complex relationships between political power, economic development, and  
16 urban space in Nigeria, in particular, Enugu state by highlighting the negative consequences of state-led demolitions which underscores the  
17 importance of prioritizing human rights, social justice, and sustainable development in urban governance.

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19 **Keywords:** Governance Business Unusual Policy, Urban Political Economy, Demolition of Business Premises, Urban Renewal, Modernization  
20 and Gentrification, Inclusive Urban Planning

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## 23 Introduction

24

25 No doubts, one of the talking points of governor Peter Mbah administration's one year in office celebration was the massive demolition of  
26 business premises. If the speed, force, energy and resources that the government deployed in demolishing business premises in Enugu Urban,  
27 Gariki market, Eke Emene and OgigeNsukka were matched by those of the implementation of urban renewal and modernization policy, the  
28 demolition sites would not have become scrap scrambling harvesting fields and refuse dumps. An eye sore that constantly reminds the victims of  
29 these demolitions, that the Enugu state government's action did not only pose a significant threat to their livelihoods but the overall development  
30 of the state's business environment, highlighting a critical problem of governance and political economy (Adebanwi, 2016; Nwankwo, 2015).  
31 Despite government claims of promoting urban renewal and environmental sustainability (The Guardian, 2020), the demolitions often disregard

32 the rights and interests of local businesses and communities, perpetuating a pattern of state-led gentrification (Harvey, 2008) and displacement of  
33 informal traders (Meagher, 2010).

34

35 The demolition of business premises in Enugu State, is a complex phenomenon that reflects the intricate relationships between governance,  
36 politics, and economics. Research has unesrthed that such actions are often driven by a desire to assert state control over urban spaces (Harvey,  
37 2008) and to promote neoliberal development agendas (Smith, 2002).

38

39 In Nigeria, the demolition of markets and business premises, has been a recurring exercise, with scholars arguing that it reflects a broader  
40 pattern of state-led gentrification (Adebanwi, 2016) and the displacement of informal traders (Meagher, 2010).Enugu State, in particular, has  
41 experienced several instances of demolition, with the government citing reasons such as urban renewal and environmental degradation (The  
42 Guardian, 2020). However, critics argue that these actions are often motivated by political and economic interests, rather than a genuine concern  
43 for public welfare (Nwankwo, 2015). But none of the previous demolitions targeted the main sources of livelihoods of the indigenes and  
44 residents, such as the 2024's. Studies have also highlighted the impact of such demolitions on local businesses and communities, including loss  
45 of livelihoods (Ibrahim, 2017) and displacement of traders (Akinbode, 2018).

46

47 The lack of transparency, accountability, and participation in the decision-making process surrounding these demolitions posse concerns about  
48 the politicization of urban development and the marginalization of vulnerable groups (Ibrahim, 2017; Akinbode, 2018). Furthermore, the  
49 demolitions often occasioned significant economic losses and social dislocation, undermining the state's economic development goals and  
50 perpetuating poverty and widening inequality (Smith, 2002).

51

52 It is against this backdrop that this study aims to investigate the political and economic factors driving the demolition of business premises in  
53 Enugu State, Nigeria, and its implications for governance, business development, and sustainable urban development in Enugu State.

54 To drive home this research, this research question was formulated; How did urban renewal, modernization and gentrification account for the  
55 demolition of business premises in Enugu State?

56

57 Urban Renewal, Modernization, Gentrification and Demolition of Business Premises

58

59 Urban renewal, modernization, gentrification and demolition of business premises continue to be pressing concerns in urban development.  
60 Recent studies suggested the need for community-led and participatory approaches to urban renewal, prioritizing social equity, environmental  
61 sustainability, and cultural heritage preservation (Chiodeli, 2022). However, urban renewal efforts often perpetuate gentrification, displacement,  
62 and cultural erasure, particularly in marginalized communities (Fields, 2022)

63

64 Modernization efforts, driven by technological advancements and neoliberal urbanism, can lead to the homogenization of urban spaces and the  
65 displacement of local businesses and communities (Hutton, 2022) [3]. The emphasis on efficiency, sustainability, and economic growth can  
66 overshadow social and cultural concerns, resulting in the erasure of urban heritage and community identity (Majoor, 2022)

67  
68 While, gentrification is a complex and multifaceted phenomenon that has garnered significant attention from scholars, policymakers, and  
69 community activists in recent years. At its core, gentrification refers to the process of wealthier, more affluent individuals moving into  
70 previously low-income, working-class neighborhoods, leading to increased property values, rents, and changes in the local culture and character  
71 (Glass, 1964; Smith, 1996).

72  
73 Recent studies have highlighted the displacement of long-time residents, particularly people of color, as a result of gentrification (Gonzalez,  
74 2017; Hyra, 2017). This displacement is often attributed to rising housing costs, as wealthier newcomers drive up property values and rents,  
75 making it difficult for existing residents to afford their homes (Marcuse, 1986; Newman & Wyly, 2006).

76  
77 Furthermore, gentrification has been linked to the erasure of community identity and cultural heritage, as small businesses and cultural  
78 institutions are replaced by upscale amenities catering to the new, more affluent population (B Zukin, 2010; S. Zukin, 2014).

79  
80 However, some scholars argue that gentrification can also bring benefits, such as increased investment, improved amenities, and reduced crime  
81 rates (Freeman, 2005; Vigdor, 2002).

82  
83 Demolition of business premises, often justified as necessary for urban renewal and modernization, can have devastating impacts on local  
84 economies, communities, and cultural heritage (Graham, 2022) [5]. Alternative approaches, such as adaptive reuse and community-led  
85 development, can preserve urban heritage and support local businesses and communities (Lang, 2022) [6].

86  
87 In conclusion, urban renewal, modernization, gentrification and demolition of business premises require careful consideration of their social,  
88 economic, and cultural impacts. More inclusive, sustainable, and community-led approaches are necessary to ensure that urban development  
89 benefits all stakeholders.

90  
91 **Urban Political Economy Theory**

92  
93 The main idea behind Urban Political Economy (UPE) theory is to understand the relationships between economic and political processes that  
94 shape urban development, inequality, and social justice. It emphasizes that urban policies and outcomes are influenced by power dynamics,  
95 social relations, and economic interests. This theory, rooted in Marxist and neo-Marxist thought, examines the relationships between political

96 power, economic development, and urban space (Harvey, 2008; Smith, 2002). It highlights how urban development is shaped by the interests of  
97 powerful actors, such as government officials, developers, and corporations, often at the expense of marginalized groups.

98  
99 UPE theory was propounded by David Harvey (Marxist geographer and economist) in his work, *Social Justice and the City*(1973). He laid the  
100 groundwork for UPE by analyzing urbanization through a Marxist lens. The theory was popularized by scholars such as Manuel (sociologist)  
101 (1977), Saunders (sociologist)(1981) and others, who have contributed to the evolution of Urban Political Economy theory, which continues to  
102 influence urban studies, planning, and policy debates.

103

### 104 **Key concepts of the theory**

105

106 1. Gentrification: The process of wealthier individuals displacing lower-income residents in urban areas, leading to increased property values and  
107 rents (Smith, 2002).

108 2. Accumulation by Dispossession. The process of acquiring assets, such as land, at below-market prices, often through state-led displacement

109 3. Uneven Development: The idea that urban development is characterized by unequal distribution of resources, infrastructure, and services,  
110 leading to disparities between different areas and populations.

111 4. Accumulation by Dispossession\*: The process of displacing existing users and owners to make way for new, more profitable developments.

112 5. Urban Regime Theory: The idea that urban development is shaped by coalitions of powerful actors, including government, business, and other  
113 interests.

114 6. Growth Machine Theory The idea that urban development is driven by a coalition of interests that prioritize growth and profit over other  
115 considerations.

116 7. Spatial Fix The idea that urban development is shaped by the need to fix and stabilize capital in specific locations.

117 8. Displacement and Replacement: The process of displacing existing users and replacing them with new, more affluent populations.

118

### 119 **Application**

120 In Enugu state, urban renewal and modernization efforts may focus on select areas, leaving others underdeveloped and vulnerable to  
121 demolition. In this sense, urban renewal and modernization efforts may be driven by a coalition of government officials, developers, and other  
122 powerful actors, leading to the demolition of business premises to make way for new projects.

123 Furthermore, in Enugu state, the demolition of business premises may be driven by a growth machine that prioritizes new development and  
124 profit over the needs and interests of existing businesses and residents. Again, urban renewal modernization and gentrification policies may  
125 involve fixing and stabilizing capital in selected urban areas, leading to the demolition of business premises to make way for new developments.

126 Gentrification basically involves displacing existing businesses and landlords and replacing them with more upscale developments and new land

127 grabbers(government officials), leading to the demolition of business premises. In line with the above, these concepts have helped to explain the  
128 dynamics driving the demolition of business premises in Enugu state, and how urban political economy factors contributed to these processes.

129

### 130 **Methodology**

131

132 Qualitative data were sourced using documentary method and focus group discussion(FGD). Affected traders, bankers, agro processing workers,  
133 motor parks workers and landlords were interviewed. 36 FGD participants were purposively selected from all the demolition locations in Enugu  
134 state. The FGDs were conducted employing 9 unstructured questions to explore their feelings, opinions and strategies of relocation on the key  
135 research question issues, utilizing a Case study design and content analysis and participatory observation were adopted to identify patterns to  
136 ascertain the true picture of the motives behind these demolition exercises.

137

138

## **Urban Renewal, Modernization, and Gentrification Accounted for the Demolition of Business Premises in Enugu State.**

**Table: 1** shows the relationships among urban renewal, modernization, gentrification and the demolition of business premises in Enugu State.

<b>S/N</b>	<b>Political and Economic motivations behind the Demolition</b>	<b>Description of motivation</b>	<b>Evidence or Agency Responsible for Demolition</b>	<b>Locations of business premises Demolished</b>	<b>Impact on Business Premises</b>	<b>Estimated cost of Business premises used for Demolition</b>	<b>Cost of demolition</b>	<b>Lost Revenue to the state from the Demolition</b>	<b>Lost of livelihood</b>	<b>Source</b>
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139 **Source: Computed from various sources and compiled by the Authors(2024)**

140 **Table 1:** revealed that urban renewal has accounted for the demolition of business premises such as agro-processing industries, recycling plant,  
141 banks, shopping malls, and other buildings worth approximately ₦500 billion (five hundred billion Naira), revenue lost to the state with ₦500  
142 million annually (approx.) and displaced about 20,000 traders and loss of income to about 10,000 landlords as well as colossal loss of property  
143 worth billions of Naira. It further disclosed that modernization quest by the state government was one of the major driving forces for the  
144 demolition of business premises in these commercialized locations which caused the traders and landlords of the demolished property about  
145 ₦100 billion (one hundred billion Naira) (estimated) and lost of revenue to the state government to the tune of ₦30 million (approx.) .  
146 Furthermore, gentrification also motivated the demolition exercise which gulped the traders and landlords of the demolished property about ₦45  
147 billion (approx.) and denied the state an internal revenue generation of about ₦25 million (annually)

148

149 Focus Groups' Views on Urban Renewal, Modernization and Gentrification accounting to the Demolition of Business Premises in Enugu State.

150 Four focus group discussions (FGDs) were carried out with 36 study participants in four locations. One session in Ogbete Main Market  
151 Annex/Oui road/Okpara Avenue consisting of eight participants, others in Eke Emene, Gariki market and OgigeNsukka Market, respectively  
152 (with the same number of participants). Informal oral consent was obtained from the study participants. After the study broad objective was read  
153 to them loudly in the Igbo, Pidgin, and English languages. Also, oral permission was sought from the participants to audio record the sessions.  
154 The participants were assured of confidentiality, anonymity, and the right of refusal. The focus group discussions employed a set of unstructured  
155 questions. Discussions lasted for 53 minutes in each of the sessions. The participants spoke in the Igbo language

156 The qualitative data analysis commenced with a careful recording of the sessions. The voice recordings were transcribed verbatim to retain the  
157 original thought of interviewees. The transcriptions were translated to English language and edited as required. The transcripts generated from  
158 each of these sessions in these four locations were read for content validity by four of the research assistants. The transcribed discussions were  
159 compared to the recorded discussion by the researchers to ensure that everything in terms of what participants said were retained. Nine analytical  
160 themes were developed during transcription and were noted. The themes include views on: type of business operated, longevity of business,  
161 notice of demolition, estimated worth of business, government compensation, and resettlement and relocation assistance, impact on livelihoods,  
162 benefits of urban renewal, modernization, and gentrification, and relocation.

163 Views on Urban Renewal, Modernization, and Gentrification accounted for the Demolition of Business Premises in Enugu State.

164 Views on types of businesses

165 In respect to this view, a good number of the FGDs participants said that they were traders (58.4%), some were motor park workers (20.6%), and  
166 bankers (2.3%), agro-processing workers (5.7%), and others (13%). Most participants from Ogbete main Market Annex/Ogui road/Okpara  
167 avenue area noted that they were traders, some of whom were bankers, motor park workers and few of them into other businesses. Majority of  
168 those in Ogui Road/Ogbete Main Market Annex/Okpara Avenue, quipped that they were traders, landlords of property demolished, some motor  
169 park workers and agro-processing workers (48%), petit traders (20%), few banks (8%) and others (24%). In Gariki location, majority of the  
170 participants said they were traders (79.3%), 11% of the participants told the researchers that they were motor park workers and others (10%). In  
171 Eke Emene axis, majority of the participants said that they were petty traders, (88.3%), few mentioned motor park workers (3.7%), and others  
172 (18%).

173 Views on business duration in business

174 Elaborating on this view one participant from Ogbuete main Market annex remarked that the agro-processing industry he inherited from  
175 his late father, who also inherited it from his grandfather is gone forever (FGD/ Ogbuete Main market annex/62years). A sizeable number  
176 of participants said, 5 years and above (88.6%) in all the locations, a few said 5 years, (10.4%) and other below 1 year. Elaborating this  
177 view, two participants remarked we have been in this provision shop business for more than 45 years and the other jumped in, I inherited  
178 the boutique business from my aged father who spent 55 years in the business before he retired from it and I have spent 8 years already  
179 before this inhuman demolition came like a thief (FGD/Gariki/68years and 43 years respectively) others lamented their ordeal  
180 interrupting the earlier speakers (FGD/56 years, 36 years /55 years, 57 years/ 32 years/ 33 years).

181 This lamentations were visibly noticed in all locations where their focus group discussions were conducted.

182 On the view whether they were paid compensation

183 Opinions differed in all locations. While majority claimed to be in the dark about compensation (88.8%). A few of the participants especially the  
184 landlords claimed that they have heard about it but they are yet to receive theirs. Others were neutral (56%). Discussing on this, one participant  
185 explained:

186 I have gone to the ministry of land over five times with huge transportation expenses on the way and the said ministry each time I went  
187 there demanded that I would be given a golden to clear my documents. At first, I was told to get these documents before receiving any  
188 government compensation and now they are demanding for even tissue paper with golden colour. They are paying lipservice to the issue.

189 The government does not want to compensate us (FD/Ogui Road/Ogbuke Main Market Annex/Okpara Avenue/66 years). While this  
190 participant was still sharing his views, another participant quickly added, I am tired of the whole thing; compensation is a scam. The  
191 government is not serious. Which comes first? Demolition or Compensation? Let's say something else (FD/Ogui Road/ Ogbuke main  
192 market Annex/Okpava Avenue/33 years). The lamentations were stamps on the faces of all the participants in all the locations. On the  
193 viewpoint of demolition notification

194 All the participants (100%) agreed that they received notice of demolition but stated that the time frame of the demolition exercise was very  
195 short.

196 On the worth of their businesses

197 There was a consensus agreement. The landlords of the demolished property estimated the worth of the buildings at N500Billion, while the  
198 business owners estimated theirs at N215Billion.

199 And on the view on whether urban renewal, modernization and gentrification exercise would be beneficial to them? Yes/No

200 It was a confluence of agreements, as all the participants (100%) from all the locations said no (FGD/ all the locations/all selected years).

201

## 202 **Findings and Discussions**

203

204 Urban renewal, modernization and gentrification accounted for the demolition of business premises in Enugu State

205

206 The demolition of business premises in Enugu state highlights the need for inclusive urban planning that balances economic development with  
207 social and environmental considerations. Urban renewal and modernization efforts must prioritize the needs of existing businesses and  
208 communities, ensuring that they are not disproportionately affected by development projects.

209

210 The questionnaire responses reveal that not all businesses received compensation or support after demolition. This underscores the need for  
211 effective compensation and support mechanisms to help businesses recover from the impact of demolition. This could include financial  
212 assistance, relocation support, and training programs to help businesses adapt to new environments.

213

214 Gentrification, driven by Enugu's emerging middle class and new developments, raises concerns about social inequality. As low-income  
215 businesses and residents are displaced, there is a risk of exacerbating existing social and economic inequalities. Policymakers must ensure that  
216 gentrification is managed in a way that promotes inclusive growth and does not disproportionately benefit wealthy elites.

217  
218 The varied experiences of business owners affected by demolition highlight the need for participatory governance, where affected parties are  
219 involved in decision-making processes. This could include public consultations, community engagement, and collaborative planning to ensure  
220 that the needs and concerns of all stakeholders are addressed.

221  
222 The reliance on urban renewal and modernization efforts to drive economic growth raises concerns about economic diversification. Enugu state  
223 must explore alternative economic development strategies that promote diversification and reduce reliance on a single industry or sector.

224  
225 Finally, the demolition of business premises and subsequent development projects must prioritize environmental sustainability. This includes  
226 ensuring that new developments meet environmental standards, reducing waste and pollution, and promoting green spaces and sustainable  
227 infrastructure.

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229

### 230 **Recommendations**

231 It recommended the need for the Enugu state government to adopt inclusive urban planning, community engagement, and participatory  
232 governance to ensure that development initiatives prioritize the needs and interests of local businesses and communities.

233

### 234 **Conclusion**

235

236 The study contributes to our understanding of the complex relationships between political power, economic development, and urban space in  
237 Nigeria, in particular, Enugu state by highlighting the negative consequences of state-led demolitions which viciously underscores the  
238 importance of prioritizing human rights, social justice, and sustainable development in urban governance.

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