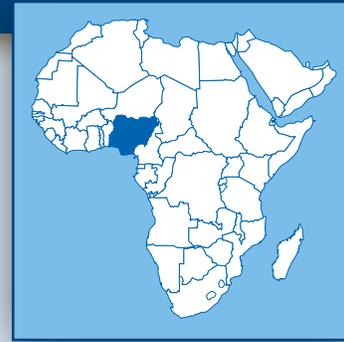


## Nigeria's Role in Codifying Governance and Improving Transparency

Christopher Barlow



In October 2014, H.E. Ngozi Okonjo-Iweala, the Minister of Finance for Nigeria, participated in a discussion co-hosted by Thomson Reuters and the Atlantic Council's Africa Center in Washington, D.C. The conversation with the minister focused primarily on the need for Nigeria to promote more inclusive and sustainable economic growth and social prosperity, and on real estate market development and land administration modernization in Nigeria.

The minister posed a rhetorical question, "Can you imagine a country of Nigeria's size that doesn't have a mortgage system?" She had just that year launched a new mortgage finance corporation and was promoting the new system in Washington, D.C.

Nigeria is the largest economy in Africa and home to some 197 million people. However, 97 percent of the land in the country lacks documented or recorded land rights. Okonjo-Iweala noted in her remarks that there exists an unmet demand for 17 million household units. She estimated that for each new house built, five to six jobs will be created in Nigeria.

The real estate and housing sectors represent less than 3 percent of GDP (Gross Domestic Product) in Nigeria. And statistics from property tax revenue as a percentage of GDP are not available even through sites such as the World Bank—that's how negligible the collection rate is.

Okonjo-Iweala noted that land as an asset has yet to be monetized in Nigeria and emphasized that land reform needs to be completed in a methodical manner. "It gives small holders an asset to take to the bank." She said, "This is particularly important for farmers as they may use the land as collateral to improve the productive capacity of their lands by, for example, obtaining a loan to invest in improved irrigation."

This message from Nigeria—that land, property, and real estate reform is needed to unlock substantial and sustained economic gains—is a story heard in many countries around the world today. Formalization of land rights is a pressing problem. U.N. Habitat estimates that 70 percent of the land in the developing world has no documented, recorded, or mapped land rights. This poses very acute problems in a myriad of ways, particularly in establishing effective, fair, and efficient property tax systems.

It's difficult to tax lands and property if the government does not know who owns the land, where it's located, or what the value of that land is.

Writing in the *Financial Times* in 2013, Okonjo-Iweala stressed that while the development community has placed emphasis on strengthening institutions and transparent systems, the need to institute customs, rules, and procedures is imperative because the function of government then becomes codified and leaders are held to these governance standards. She writes, "Building these systems and processes tends to be long, arduous, and unglamorous. It does not produce the instant headlines that politicians crave nor does it yield the immediate results that donor agencies like to see in their progress reports." However, she adds, "Today, technology provides us with opportunities to rapidly solve some of these challenges."

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The good news from Nigeria is that those "opportunities" are being pursued and at multiple levels of government, including by the states there. Since 2011, Thomson Reuters has supported two governments, Cross River state and Plateau state, in their implementation of digital land registry and cadastre systems. The most telling of results so far has been the dramatic spike in demands from citizens to register their lands.

Okonjo-Iweala cited the good work of Cross River state. She added, "Home ownership gives you a stake in society," she said. "It puts a roof over your head. It gives you an asset. It makes you feel you have accomplished something. This is a common wish that everyone has." The desire to own land and have their rights protected is unalienable among peoples of the world.

Nigeria still has much progress to make, but it is exactly this type of government leader who understands the value and appreciates the connection to inclusive economic growth that is needed in the world today. ■